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NASA Was Warned Seals Might Break On Shuttle Boosters

By Philip M. Boffey
New York Times Service

WASHINGTON — The U.S. space agency was warned last year that seals on the space shuttle's solid-fuel booster rockets might break and cause a catastrophic accident, according to documents from the agency's files.

The documents show that six months before the Jan. 28 explosion of the Challenger shuttle that killed seven astronauts, engineers at the headquarters of the National Aeronautics and Space Administration and its Marshall Space Flight Center in Huntsville, Alabama, were concerned that leaks might occur where segments of the booster rockets are joined.

Such leaks would allow hot gases and flames to escape through the side of the rocket instead of through the nozzle that channels the gases out through the rear, possibly causing severe damage to the shuttle or an explosion, according to space experts.

One NASA analyst warned in an internal memorandum last July that flight safety was "being compromised by potential failure of the seals." He added: "Failure during launch would certainly be catastrophic."

A 1982 "critical items list" for the booster also warned that failure of the seals could result in "loss of vehicle, mission, and crew due to metal erosion, burn-through, and probable case-burst resulting in fire and deflagration." Deflagration is rapid, intense burning.

Although it is not known exactly what caused the explosion that destroyed the Challenger, space agency officials have said the leading theory is that a plume of flame emerged from one side of a booster and set off an explosion of the shuttle's giant external fuel tank.

The theory is based on films of the shuttle's flight.

Space officials have said they cannot identify precisely where the plume emerged and thus do not know whether it burned through a seam or through the metal side of the rocket.

"It did appear to happen at least near a seam," William R. Graham, the acting administrator of NASA, said Feb. 2.

It is not clear what action, if any, was taken by NASA in response to the engineers' memorandums. But the issue was still listed as a matter of concern in agency documents as recently as December.

Space agency officials declined Saturday to respond to questions about the concerns raised in the internal documents.

[The presidential commission investigating the Challenger accident asked the space agency Sunday to produce all information dealing with problems relating to seals on the shuttle's booster rockets, United Press International reported from Washington. A White House spokesman, Mark Weinberg, said NASA "is agreeable" to the request and promised to cooperate.]

The documents describing problems with the seals were made available to The New York Times by a solid-fuel rocket analyst who has worked closely with propulsion engineers from the Kennedy Space Center in Florida, which assembles the booster rockets; the Marshall center in Alabama, which is responsible for their design; and NASA headquarters in Washington.

The safety of the seals emerged as an important issue Thursday at the first meeting of the presidential commission that is investigating the causes of the accident.

The space agency acknowledged

(Continued on Page 4, Col. 5)

Reuters

Corazon C. Aquino and Salvador H. Laurel attending Mass together Sunday in Manila.

Fraud Charges Mount In Philippine Election

By Michael Richardson
International Herald Tribune

MANILA — An international team of observers said Sunday night that it had found "serious anomalies that could well have an impact upon the final result" of the Philippine presidential election held Friday.

The 45-member delegation from 19 nations made its first collective comment on the election shortly after it was announced that President Ferdinand E. Marcos had taken the lead from his main challenger, Corazon C. Aquino, who had claimed victory. The final result was not expected to be announced before Monday.

In a development shortly before midnight Sunday, about 30 computer operators walked out of the national vote-counting center operated by the Commission on Elections, the government-appointed body known as Comelec that administers and enforces all elections in the Philippines.

People in the group were quoted by reporters as saying they did not want to be involved in a fraud. Their representative said the results being posted by the commission on its tabulation boards for public display were not the same as those being printed out of the computers for various regions of the Philippines.

The representative said the tally for Mr. Marcos was being updated while that for Mrs. Aquino was not. Members of the group said they had computer disks that would prove the discrepancy.

Mr. Marcos, who has held power for 20 years, said Saturday at a news conference in the presidential palace that he had thought seriously about canceling the election because of the allegations of extensive intimidation and fraud. His present six-year term was to end in 1987 but he called an early election.

He was asked how he would react if the independent observer groups concluded that the election was not run fairly.

"I would try to convince them that it is not so," Mr. Marcos replied. "If you are trying to move toward the point as to whether I would declare the elections invalid, and either declare that no elections have been held, continue up to 1987, or call another election, now these are matters which I have thought seriously about. As of now, I am trying to play it by ear."

The Associated Press

President Ferdinand E. Marcos discussed the allegations of fraud at a news conference at Malacanang Palace.

[Mr. Marcos said Sunday on a U.S. television news show that he would not cancel the election, Reuters reported from Washington. "I intend to go through with it and abide by the decision of our people," he said. Page 4.]

Mrs. Aquino, speaking Saturday at a news conference shortly before Mr. Marcos's, said that she had scored a landslide victory despite the "brutal tactics of my opponents."

"Tensions are high," she said, "and I hope that once Mr. Marcos recognizes that my victory is irreversible, he will in the best tradition of democratic politics concede rather than prolong the period of uncertainty."

She said she hoped she could meet Mr. Marcos this week to make arrangements for a smooth and quick transition of power.

Mr. Marcos described as "irresponsible talk" a statement by Mrs. Aquino that she would not accept the official vote count of the National Assembly if it confirmed him as the winner.

The National Assembly, in which the government has a majority of more than two-thirds, was scheduled to meet Monday to start counting. The assembly was expected to be a target of opposition demonstrations.

Richard G. Lugar, chairman of the U.S. Senate Foreign Relations Committee, said Saturday that he

(Continued on Page 4, Col. 1)

Philippine Election Day: Intimidation, Ballot Snatching, 'Unanimous' Counts

By William Branigin
Washington Post Service

MANILA — When voters went to the polls in the town of San Nicolas in President Ferdinand E. Marcos's home province of Ilocos Norte, they showed a remarkable unanimity of views, according to unofficial returns.

Mr. Marcos received 13,643 votes in Friday's presidential election. His opponent, Corazon C. Aquino, got none.

The opposition did not expect to win in Ilocos Norte, but the shutout fell into the category of "statistical improbability," in the view of Aquino supporters.

"Even the UNIDO people voted for Marcos," Agapito Aquino, Mrs. Aquino's brother-in-law, said sarcastically. He was referring to local organizers of the United Nationalist Democratic Organization, the party of Mrs. Aquino and her running mate, Salvador H. Laurel.

According to the National Movement for Free Elections, an independent poll-watching group also known as Namfrel, many San Nicolas residents claimed to have voted for Mrs. Aquino.

But afterward, a volunteer for the poll watchers reported, the town's mayor took the ballot boxes to the municipal hall, locked the doors and posted guards while fake ballots were being prepared.

In the nearby town of Piddig, the group said, its volunteers were served warrants of arrest when the ballot count began. The counting continued while they were being interrogated at the local police station, the group said.

Philippine elections have been known for this sort of thing for years. But this time the "anomalies," as they are called here, have attracted unusual attention.

A delegation of U.S. congressional observers led by Richard G. Lugar, head of the Senate Foreign Relations Committee, voiced concern over what the Indiana Republican on Saturday called the "regrettable" efforts of Mr. Marcos's ruling party to "manipulate" the vote count.

But J. V. Cruz, an adviser to Mr. Marcos and the Philippine ambassador to Britain, argued:

"Philippine elections should be judged by Philippine election standards. What might strike sophisticated American voters as despicable dirty tricks are taken for granted as part and parcel of our electoral process."

In Manila's business district of Makati, a woman voter who said she had lived for 30 years at the same address complained to reporters Saturday that she could not find her name on her precinct's list of voters and therefore was barred from voting.

She did find her address listed, however, and three persons she had never heard of were registered as living there.

In addition, considerable violence was reported in Makati and elsewhere over the weekend as the National Movement for Free Elections and opposition poll-watchers were kicked out of precincts, voters were intimidated and ballot boxes were snatched.

In Mrs. Aquino's hometown of Concepcion in Tarlac province, an area beset by election violence, a dozen men carrying M-16 rifles arrived at the barrio of Balutu on Saturday in jeeps bearing Marcos stickers, witnesses said.

The armed men approached the schoolrooms where the ballot boxes were kept, but they retreated when they encountered Western reporters. The men drove on to another barrio, San Antonio, forced everyone out of the precincts, and seized the ballot boxes, journalists reported.

An opposition leader, Jose Feliciano, and other United Nationalist Democratic Organization organizers at Balutu then decided to carry the ballot boxes on foot to Concepcion, five miles (eight kilometers) away, to safeguard the votes, witnesses said. Mr. Feliciano and 31 followers were arrested later on charges of snatching the ballots.

President Marcos mentioned the incident in a news conference Saturday, noting that Mr. Feliciano is "now charged with this crime and is in jail."

The Observers

New York Times Service

- Commission on Elections: The government-run commission of presidential appointees that sets election procedures and receives the tallies of local boards in each of the voting precincts. It is known by the acronym Comelec.
- National Movement for Free Elections: A volunteer citizens group whose members have received accreditation to observe the tallying from the precinct level on up. It is known as Namfrel.
- American observers: A 20-member group of elected officials and academics appointed by President Ronald Reagan.
- International observers: Forty-five observers from various countries.
- National Assembly: The assembly is officially designated to canvass the vote. It is the only body that can declare an official outcome.

Mitterrand Says Attacks Won't Affect Policies

By Julian Nundy
International Herald Tribune

LILLE, France — President François Mitterrand has pledged that his government will not make concessions to those behind recent bomb attacks in Paris.

Speaking Friday in the northern industrial city of Lille, Mr. Mitterrand said the bombings, coming shortly before National Assembly elections that his Socialist Party is widely expected to lose, would have no effect on government policy.

He said France would not deal with those who "do business with the blood of others."

Three bomb attacks in Paris stores last week wounded 21 persons. A fourth bomb was defused at the top of the Eiffel Tower.

A group calling itself the Committee of Solidarity with Arab and Middle Eastern Political Prisoners claimed responsibility for the three explosions and called for the release of two Arabs and one Armenian jailed for terrorist acts. It said it would carry out new attacks unless the demands were met.

Opposition politicians, campaigning for the elections March 16, were quick to blame the Socialist government for its failure to maintain security in the capital.

Political commentators speculated that the attacks were aimed at gaining concessions from the government in the days before the elections.

But Mr. Mitterrand declared: "It is not terrorism that will destroy the government of France. It is not terrorism that will choose the government of France."

Mr. Mitterrand was addressing a meeting in Lille, center of France's Nord department. The Nord is the country's most populated department, with 2.5 million inhabitants,

Reuters

François Mitterrand

and one of the traditional areas of Socialist support.

Mr. Mitterrand restated his determination to remain as president whatever the result of the elections, but he was vague about his role.

Opinion polls have consistently given the center-right opposition an unassailable lead in the March vote.

If the opposition does win, Mr. Mitterrand will be left with two years of his seven-year presidential mandate to run without a majority in Parliament, prompting fears of a constitutional crisis and speculation about his future.

But he said he would be "the guarantor of social cohesion."

"By that," he said, "I mean the guarantor of national cohesion."

Two of the main opposition politicians, former President Valéry Giscard d'Estaing, a centrist, and Jacques Chirac, leader of the neo-

(Continued on Page 5, Col. 3)

The Associated Press

A Haitian police officer swung his nightstick at a woman in Port-au-Prince when celebrations turned violent after the departure of President Jean-Claude Duvalier.

Haiti Appoints Cabinet, Frees Political Prisoners

By Keith B. Richburg
Washington Post Service

PORT-AU-PRINCE, Haiti — Haiti's new military-dominated government has announced the formation of a 19-member cabinet and has freed scores of political prisoners. Most of the cabinet members had ties to the fallen government of President Jean-Claude Duvalier.

Opposition leaders warily took note Saturday of the presence of old-line Duvalier figures in key ministries. They made it clear that they expected the new government to be only a transitional one and to live up to a statement by the army that it had no desire to hold power.

"My problem is to see that the transitional government survives until elections are called," said a leading opposition figure, Gregoire Eugene, who said he would be a candidate for president.

Opposition leaders were encouraged by the release of at least two dozen political prisoners as one of the government's first actions Saturday. Most of them were arrested late last year.

Among those released were Serge Auguste, an opposition politician, and Gabriel Herard, a journalist with Samedi Soir, an opposition newspaper.

Violence and sporadic gunfire continued Saturday as crowds sought vengeance on Mr. Duvalier's old security force, the Tontons Macoutes.

There were reports of Tontons Macoutes being hacked with machetes and beheaded, and of their houses being stormed by mobs. In one suburban neighborhood, several heavily armed Tontons Macoutes barricaded themselves in a two-story house and engaged in a brief gun battle with army troops.

A 2 P.M.-to-7 A.M. curfew remained in effect, business and government offices remained closed. The international airport also was still closed.

The situation was reported to be the same in Cap-Haitien and Gonaives, with crowds attacking former Tontons Macoutes and members of security forces firing back.

[The capital was quiet and relaxed Sunday, Reuters reported from Port-au-Prince. There were no reports of deaths overnight and only half a dozen cases of bullet wounds.]

Mr. Duvalier fled Friday morning to France with 21 family members. They used a U.S. Air Force plane.

The president and most powerful figure on the new six-member governing council is Mr. Duvalier's army chief of staff, Lieutenant General Henri Namphy, a confidant of Mr. Duvalier's father, who ruled the island from 1957 until his death in 1971.

Opposition figures said they were relying on General Namphy's good reputation to fulfill his pledge to give Haitians their first freely elected government since 1957.

But the roles of other figures in the national council, and the power they will wield, still were unclear. It remained to be seen whether Colonel Max Valles, the U.S.-trained commander of the powerful presidential guard, would take a subservient role to General Namphy.

Colonel Valles was named information minister in the new cabinet. The Interior Ministry, which is in charge of the army and police forces, was given to another U.S.-trained army officer, Colonel William Regala.

Gerard Gourgue, the only member of the governing council who was a critic of the Duvalier government, is to head the Ministry of Justice.

The U.S. reportedly sent signals to Jean-Claude Duvalier that it was unhappy with him. Page 4.

■ Cool Reception in France

The mayor of Talloires in southeastern France and the staff of its best-known restaurant made it clear that they would have nothing to do with Mr. Duvalier, who kept out of sight and declined to talk to reporters Saturday, The Washington Post reported from Talloires.

"I object to giving asylum to this extremely bloodthirsty dictator," said Joseph Burdeyron, the 64-year-old mayor of this town of 934 inhabitants.

He criticized government officials in nearby Annecy for informing him of the Duvaliers' plans only hours before their arrival.

"I was not asked if I wanted the Duvaliers here," the mayor said.

At the nearby l'Auberge du Père Bise, a senior staff member said he would refuse to serve the Duvaliers at his restaurant, which has the top rating of three stars in the Michelin Guide.

Hussein-Arafat Talks Reported to Collapse

By Charles P. Wallace
Los Angeles Times Service

AMMAN, Jordan — Yasser Arafat has left Jordan after two weeks of talks with King Hussein, signaling the apparent collapse of their efforts to revive the Middle East peace process.

Palestinian officials said Mr. Arafat, the chairman of the Palestine Liberation Organization, left the Jordanian capital Friday night without issuing a statement on the negotiations. He reportedly traveled to Hungary, though the reason for the visit was not known.

The Jordanian government had no comment on Mr. Arafat's departure, though government officials have said privately that Hussein is furious over Mr. Arafat's refusal to make further compromises to keep the talks moving.

"The peace process is over," a Jordanian official said.

U.S. and Jordanian officials have repeatedly spoken of a vanishing "window of opportunity" for progress in the talks.

They noted, for example, that Prime Minister Shimon Peres of Israel has appeared more flexible in his recent public statements in an apparent desire to call elections in Israel well in advance of the October deadline when he must turn over the government to the right-wing Likud Party headed by Foreign Minister Yitzhak Shamir.

Hussein and Mr. Arafat signed an agreement last Feb. 11 to pursue a joint peace initiative, advocating an international peace conference to settle the Arab-Israeli dispute and calling for the creation of a

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INSIDE

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■ A divorced Moslem woman who won a ruling in an Indian court has posed a dilemma for the government. Page 2.

■ A spy swap involving Anatoli B. Shcharansky was expected in Berlin. Page 5.

BUSINESS/FINANCE

■ OPEC's chairman was expected to meet Norway's oil minister to present plans to stabilize oil prices. Page 7.

■ Vantona Viyella, a British textile company, has made a £700-million bid for a rival, Coats Patons PLC. Page 7.

PERSONAL INVESTING

Nations around the world are beginning to lower their barriers against moving investment capital across borders. Page 9.

Nigerian Leader Charts a Bold Course

By Edward A. Gargan
New York Times Service

LAGOS — About a month after seizing power in a quietly managed coup, Nigeria's new president, Major General Ibrahim Babangida, was reviewing the troops during independence day celebrations.

As it happened, it was raining, and the soldiers arrayed before him were drenched. So was the president.

"If my boys stand in the rain, so do I," he is reported to have said.

That gesture was welcomed by Nigerians who had endured 20 months of rigorously autocratic military rule under another major general, Mohammed Buhari. And since that rainy October day, General Babangida, the sixth military man to take over the government since independence 25 years ago, has continued down a path that is a clear departure from that of his predecessors.

Again and again during the last five months, the general, a bearish man regarded as a hard worker who is quick to laugh, has tried to hear what his citizens are saying: Do they want to borrow money from the International Monetary Fund? Do they want to return to civilian rule? Where should the country's foreign policy head?

There is in all this an echo of a populism in conflict with the more conventional notions of military rule on the continent. General Babangida has been accessible to journalists. He has toured the country. He has dropped in on birthday parties for the children of soldiers.

Nevertheless, an alleged plot to overthrow the Babangida government was uncovered in December. How real the threat was remains cloudy, but a group of officers are on trial before a secret military tribunal. If indeed a coup was being planned it could mean that, in moving Nigeria away from corruption, waste and repression, General Babangida is making enemies among the military.

Reuters

Ibrahim Babangida

General Babangida responded to

(Continued on Page 4, Col. 7)

Papal Visit to India Reflects Transformation of the Church

By E.J. Dionne Jr.
New York Times Service

COCHIN, India — In Rome, Pope John Paul II is the supreme pontiff of the universal church. In India he is the leader of a tiny sect. Therein lies a key to much of what John Paul has been doing, and saying, over the last week.

To be sure, a pope, especially this one, has a certain appeal for people of all faiths. There is no figure quite like him, anywhere. The Hindus who turned out to see him paid tribute to their own tolerance and to the idea that in a world full of "holy men" this one had something — power, perhaps, or fame or charisma — that others seem to lack.

But the overriding fact is that Roman Catholicism is but a small brook flowing into the mighty river of Indian religious feeling. Though the crowds grew larger and warmer as the pope moved toward the Catholic heartland here in the south, he received a considerably more restrained reception in India than he has elsewhere in the Third World.

Catholics represent less than 2 percent of the Indian population, as against the 83 percent who are Hindus, and the church sometimes finds itself harassed or, more often, simply ignored.

At the end of the colonial era, Western ideas, even those that won wide assent, came under suspicion. In India, one result is that some leaders of the Hindu majority began fighting against Christianity in general and Roman Catholicism in particular.

Were the Catholic Church content to remain a popular faith only in the places where it is now strong, this might not pose a great problem. But central to the pope's strategy for the future of his church is the idea that it must grow in Asia and Africa, where most of the world's people live.

This strategy has bred a remarkable transformation not only in the church's tactics but also in the message that it offers to the world. An institution associated by some with a history of absolutism is now an advocate of tolerance. If it is to grow in places like this, it has to be.

The key change from a doctrinal point of view came long before

NEWS ANALYSIS

John Paul, with the Second Vatican Council in the mid-1960s.

A Jesuit theologian, Karl Rahner, argued that it was the council that finally made the church truly universal. By asserting that other faiths contained truths that were worthy of admiration, the council broke with a certain style of "missionizing," what might be thought of as a colonial style, and with a certain way of thinking about the search for truth. John Paul has often cited the council's relevant document, "Nostra Etate," during his visit here.

Not only that, the pope said over and over that India had a "mission" of its own: "to offer the world 'a spiritual vision of man.'"

In this aspect of ecumenism, John Paul has added a twist. The pope's primary complaint against the developed world is that it has lost its sense of the sacred, of the transcendent. India, on the other hand, is "a religious nation generously committed to a spiritual pilgrimage," the pope said.

In other words, the pope thinks that he and the Eastern religious leaders can form a common front against materialism and hedonism.

But there is a catch. The pope has also been saying that what the church has to proclaim is literally "the truth." Catholics, he said, should engage in a respectful dialogue with Hindus and others.

But above all Christians had to teach and preach "with clarity and conviction." Or, as Joaquin Navarro Valls, the chief Vatican spokesman put it: "You don't preach the gospel just by making the church more and more Hindu."

Moreover, if what the pope and the devout Hindus share is a certainty about the spiritual life and their mutual opposition to secularism, they are divided by different certainties. Just as the pope proclaims that Christianity is the key to European culture, so do many Hindus declare that Hinduism plays that role in India.

Indeed, there is a remarkable symmetry in what some Hindu leaders and some Catholic leaders say about secularization.

"Our nation's integrity is based on the thread of religion," said Gopal Godse, vice president of the All-India Hindu Congregation. "For our government, secularism means being anti-Hindu."

And in an article published in Osservatore Romano, the Vatican newspaper, before the pope's trip, Archbishop Kevin McNamara of Dublin wrote that "pluralism drifts toward secularism when a minority viewpoint contrary to the prevailing moral consensus, and injurious to the common good, is not just given a hearing, it is accepted by the state and incorporated into the law of the land."

That is exactly what many Hindus are saying in India.

"There is a real backlash going on here among Hindus who think that the government is always on the side of minorities and against the Hindus," said Madhavan Kutty, an Indian journalist.

The pope and many of his Hindu interlocutors are well aware that there are difficulties in preaching both certainty and freedom.

It is no wonder then that the pope has chosen to quote so often from Mohandas K. Gandhi, India's advocate of tolerant spirituality who spent a lifetime trying to resolve the contradictions.

Reuters-UPI

The Most Reverend Robert Runcie, left, the archbishop of Canterbury and head of the Church of England, held a private meeting Sunday with Pope John Paul II in Bombay.

Pope Counsels Indians on Birth Control

United Press International

BOMBAY — Pope John Paul II reiterated the Roman Catholic stand on birth control Sunday, telling citizens of the world's second most populous country that self-control was the only moral way to fight population growth.

John Paul quoted Mohandas K. Gandhi to support the Roman Catholic Church's opposition to artificial birth control, sterilization and abortion.

Quoting Gandhi, the pope said, "How is the suspension of procreation to be brought about?"

And he said Gandhi answered: "Not by immoral and artificial checks, but by a life of discipline and self-control.

"Moral results can only be produced by moral restraints," the pope continued, quoting Gandhi.

He concluded, "This, dear brothers and sisters, is the church's profound conviction."

Experts have said that even major birth control efforts will not stop India from surpassing China in the first half of the 21st century to become the world's most populous nation. About 63,000 babies are born each day, for an annual population growth of 14 million.

The papal address was directed only at Catholics, a senior Vatican official said.

Granting of Divorce Settlement Sets Moslems Against Gandhi

By Steven R. Weisman
New York Times Service

NEW DELHI — She was cast aside by her husband after 43 years of marriage, a not uncommon occurrence in much of the world. But Shah Bano reacted differently for an Indian woman, especially for a Moslem woman. She went to court to demand money from the man who divorced her.

It took 10 years before the case reached the Indian Supreme Court, which last year awarded Shah Bano a $40 monthly maintenance fee to be paid by her former husband, a rich lawyer in the city of Indore.

Then the furor began. In demonstrations across India, Moslems have protested the Shah Bano decision as an unwarranted intrusion into their religious affairs.

Divorce and divorce settlements, the protesters say, are matters of Moslem personal law, beyond the range of civil courts. Such laws do not require maintenance payments from former husbands when marriages dissolve, they say.

"We don't recognize this decision," said Syed Abdullah Bukhari, the Imam of Jama Masjid, India's largest mosque, in Old Delhi. "We will not accept such a direct interference with Moslem personal law."

To those who favor overturning the Shah Bano decision, an important aspect of India's identity is at stake: the India of diverse religions and cultures that holds itself together because it respects the practices of its minorities.

Arrayed against this group are those who see India as a progressive, secular state with uniform laws and universal rights.

"It is a dangerous trend when a minority community says it should be exempted from a Supreme Court judgment because of religion," said Subhadra Butalia, a leading feminist writer and lawyer. "A woman's right to claim redress before a court of law should not be compromised."

It is estimated that there are 75 million Moslems in India, or more than 10 percent of the population. But the case is more than a new source of grievance for India's largest religious minority or even a new cause celèbre for feminists.

In recent weeks, it has become a dilemma for Prime Minister Rajiv Gandhi, who champions secularism but is worried by defections among his Moslem constituents.

Mr. Gandhi has met with feminist and Moslem leaders in his own party to sort out the issue. His aides are known to be worried about a recent tendency among Moslem voters to abandon their longstanding support for the ruling Congress (I) Party.

The Moslem defections were hastened by Mr. Gandhi's negotiation of a settlement last year with the leaders of the northeastern state of Assam. The prime minister agreed to the disenfranchisement or expulsion of millions of Moslems who had illegally moved to Assam from Bangladesh.

The accord infuriated Moslem leaders, who organized their own political party and in December helped hand Mr. Gandhi's party one of its worst electoral defeats in years. Shaken by the results, the prime minister's aides fear that Shah Bano has created a crisis.

Politicians who have met with Mr. Gandhi say he will probably support legislation to reverse the effects of the Shah Bano decision. But feminists have served notice that if this happens, the Congress (I) Party will "forfeit its claim to represent women," as one leader put it.

Moslems in the Congress (I) Party are in fact divided over the case, although those who want the prime minister to stand by the Shah Bano decision acknowledge they are in the minority in their communities.

Mr. Gandhi reportedly exhorted a group of feminists not to impose "Western perceptions" on others. "He is very concerned that a government decision should not start communal bloodshed," said Mrs. Butalia, who was among those who met with Mr. Gandhi.

Shah Bano, meanwhile, has announced her intention to drop her claim, saying she was unaware that it violated religious tenets.

But her case is still on the books, and there has been a proliferation of court orders for maintenance payments in conformity with it.

The legal basis of the decision is ambiguous. A section of the national criminal code clearly permits a judge to order payment of a maintenance fee to an impoverished divorced woman.

But some years ago the criminal code was amended to exempt any claim if the woman had already received what she was due "under any customary or personal law applicable to the parties."

Moslems maintain that Shah Bano did receive a lump-sum payment upon the divorce, and that Moslem law clearly stipulates that a divorced woman's maintenance is to be paid by her own immediate family or the community at large — not by her former husband.

In making his decision, the Supreme Court's Chief Justice, Y.V. Chandrachud, who has since retired, started further controversy because, in effect, he ruled that a maintenance payment was permissible under Moslem personal law.

The idea of a Hindu judge ruling on what is permissible in Moslem law was galling to Moslem clergymen, as was his suggestion that India adopt a uniform code.

Spanish King to Visit Bonn

Reuters

MADRID — King Juan Carlos I and Queen Sofia of Spain will pay an official visit to West Germany from Feb. 24 to 27, a Foreign Ministry spokesman said Saturday.

Prosecutor Calls Proof of Plot on Pope Sufficient

By John Tagliabue
New York Times Service

ROME — The prosecutor in the trial of seven Bulgarians and Turks accused of conspiring to murder Pope John Paul II has begun his final plea, contending that there was enough evidence to prove there was a plot but that the state's key witness had sought to torpedo the case by feigning madness.

The prosecutor, Antonio Marini, had been expected to request the acquittal of the three Bulgarians on the ground that there was not enough evidence to convict them. But Mr. Marini's vigor in pursuing the case led defense lawyers to concede that it was premature to predict what he would seek when he finishes his plea this week.

Last Tuesday, Mr. Marini cited hearsay evidence, which is acceptable in an Italian court, that further implicated Bulgaria in a plot.

He disclosed that two Turkish witnesses questioned by the court in Turkey last summer said a Turkish acquaintance told them he had made payments to Mehmet Ali Agca, the key witness and the pope's convicted assailant, from the Bulgarians at the behest of Abuzer Ugurlu. Mr. Ugurlu is a convicted Turkish underworld figure who Mr. Agca contends was a key link to the Bulgarian secret service.

Adolfo Larussa, a lawyer for the Bulgarians, said Mr. Marini would first have to establish proof of a conspiracy and then examine the evidence of involvement as it related to each defendant.

Mr. Marini, seeking to explain Mr. Agca's unusual behavior in the eight-month trial and to defend the substance of Mr. Agca's testimony, quoted remarks the Turk made in court Nov. 5. Those remarks were to the effect that Mr. Agca began implicating the Bulgarians in 1982, after initially asserting he had acted alone when shooting the pope, to blackmail Bulgaria into helping him flee prison in Italy.

Citing psychiatric tests carried out in Turkey, Mr. Marini denied that Mr. Agca was insane.

He argued that Mr. Agca later strove to destroy his own credibility after concluding that Bulgaria sought to obtain his release.

"But I thought this trial should have finished last May 27 or 28, after my discourses, those famous discourses," the prosecutor quoted Mr. Agca as saying.

The prosecutor accused Mr. Agca of "mystification," recalling how he startled the court at the trial's outset last May by repeatedly declaring that he was Jesus.

Mr. Agca also admitted that many other assertions, such as that a former Italian intelligence official — Francesco Pazienza, now in jail in New York on criminal charges — was involved in the plot, had served the same purpose of damaging his credibility.

Mr. Agca said he sought to do so, the prosecutor said, after concluding that the kidnapping of a Vatican employee's daughter in 1983 and subsequent demands for the Turk's release in exchange for the girl's safety, were signs that his Bulgarian and Turkish accomplices had not abandoned him.

Mr. Marini quoted the Turk as saying he was convinced that the Bulgarians and Turks "wanted me to retract my accusations against them, confound the trial, and then I had the task of discrediting the Western press, which continuously accused the Soviet Union and Bulgaria as the principle architects" of terrorism.

Mr. Marini said Thursday that there was enough evidence to prove the existence of a plot.

He cited the role of Omer Bagci, one of the Turkish defendants, who admitted delivering to Mr. Agca in a Milan restaurant the weapon that was later used to shoot the pope. He also cited the testimony of several other Turks who admitted giving Mr. Agca money.

WORLD BRIEFS

Peru Declares State of Emergency

LIMA (Reuters) — Peru's government, fearing increased attacks by leftist rebels, has imposed a nationwide state of emergency and a curfew on Lima, the capital.

President Alan Garcia Pérez said the actions were aimed at curbing the spread of Shining Path, a Maoist guerrilla group. The moves followed four recent bombing attacks on clubs and restaurants and on offices of Mr. Garcia's party, the American Popular Revolutionary Alliance.

Mr. Garcia put the military in charge of enforcing the state of emergency, which suspends many constitutional rights. The measure permits the government to ban public assembly and travel to places outside the capital and abroad. It also empowers security forces to raid private homes and arrest suspects without a warrant.

General Dynamics Absolved by Navy

WASHINGTON (WP) — The U.S. Navy has granted General Dynamics Corp. blanket immunity from contract suspension or disbarment for any past offenses under investigation by federal prosecutors and the Defense Department.

The navy said Friday the defense contractor had earned the right to bid on and receive billions of dollars in yearly weapons contracts because it had "satisfactorily addressed" problems that set off more than a dozen investigations and an indictment in December on fraud charges.

Representative John D. Dingell, Democrat of Michigan and chairman of the House Energy and Commerce Subcommittee on Investigations, which has uncovered numerous irregularities by General Dynamics, called the action "absolutely outlandish" and said it raised questions about whether the company was "somehow above the law."

Soviet Said to Add Summit Conditions

WASHINGTON (WP) — Mikhail S. Gorbachev has tied the timing of his next summit meeting with President Ronald Reagan to evidence of progress toward elimination of intermediate-range nuclear missiles from Europe, according to Senator Edward M. Kennedy.

In a Washington press conference Saturday, the Massachusetts Democrat, who met Mr. Gorbachev in Moscow last week, quoted the Soviet leader as saying that a U.S.-Soviet agreement on intermediate-range nuclear forces "would justify the proposed next summit meeting."

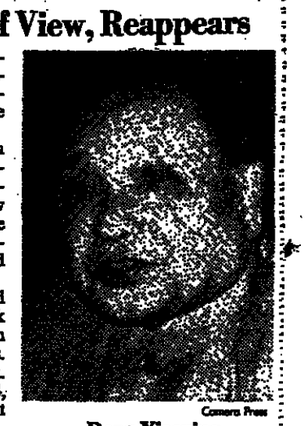
Without the prospect of signing such an agreement or a comprehensive nuclear test ban accord, Mr. Kennedy said, Mr. Gorbachev "would question what the value of having an immediate meeting in June or the very near future" as proposed by the Reagan administration.

Deng, Long Out of View, Reappears

BEIJING (LAT) — Deng Xiaoping, the paramount Chinese leader, has reappeared on Chinese television after an absence of more than seven weeks.

The Saturday evening news on China's state-owned television network showed Mr. Deng, 81, spending the beginning of the Lunar New Year's celebration in his home province of Sichuan. A press account said Mr. Deng had received 600 local officials there.

Diplomats in Beijing reported last month that Mr. Deng was sick and did not want to meet foreign visitors for a couple of months. Chinese officials denied the report. Mr. Deng was last seen Dec. 14, when he met former Vice President Walter F. Mondale in Beijing.



Camera Press

Deng Xiaoping

Mandela Asserts Husband Will Go Free

JOHANNESBURG (AP) — Winnie Mandela said Sunday that her husband, Nelson Mandela, a leader of the African National Congress, would be released from prison, but that she did not know when. The organization is the main guerrilla group fighting apartheid.

Asked by a reporter if the release were more a question of "when" and not "if," Mrs. Mandela replied: "Yes, that is correct." Speaking at Johannesburg's Jan Smuts Airport after flying from Cape Town, where she visited her husband, Mrs. Mandela said: "I do not have the slightest idea when or where he will be released, but he will be released."

It did not appear that Mr. Mandela, 67, who has been serving a life sentence since 1964 for a conviction of plotting sabotage, would be freed within hours or even days. Mrs. Mandela said she expected to see her husband again "in a few days" at Pollsmoor Prison in Cape Town.

South Yemen Names New President

ADEN, South Yemen (Reuters) — South Yemen's Marxist leadership has named Haidar Abu Bakr Attas as president, succeeding President Ali Nasser Mohammed, who was deposed in heavy fighting last month.

The announcement was made Saturday, when Yassin Said Noman, 38, who had been deputy prime minister and fisheries minister, was sworn in as prime minister. Mr. Attas's former post was prime minister.

In Damascus, the Democratic Front for the Liberation of Palestine said Sunday that another former president of South Yemen, Abdul Fatah Ismail, had been killed on Jan. 13, the day fighting erupted in Aden. His fate had been unknown since the start of the fighting.

For the Record

Brazilian health authorities, alarmed by the growing number of cases of acquired immune deficiency syndrome, have distributed questionnaires to visitors arriving in Rio de Janeiro for the carnival season that ask for information on their sexual preferences and possible contacts with the disease. *(NYT)*

Ethiopia and the Soviet Union have signed an agreement on prospecting in Ethiopia for natural gas, oil and other minerals, the radio in Addis Ababa reported. *(Reuters)*

The Basque separatist organization ETA claimed responsibility for the attack Thursday in Madrid that killed Vice Admiral Cristóbal Colón de Carvajal, 61, and his driver. *(AP)*

A Warsaw Pact military exercise involving Soviet, Czechoslovak and Hungarian troops ended in Hungary on Saturday, the official MTI news agency reported Sunday. *(Reuters)*

Murdoch Newspapers Report Weekend Production Gains

United Press International

LONDON — Rupert Murdoch's News International claimed on Sunday its biggest success yet in producing its weekend newspapers in defiance of picketing by dismissed printers at its new plant in London's Wapping section.

Several thousand strikers and their wives tried to stop The Sunday Times and the tabloid News of the World from leaving Wapping. Police arrested 29 demonstrators when scuffles broke out.

The newspapers also rolled off News International presses in Glasgow, but an estimated million copies were lost because subcontracted workers at a Manchester printing plant refused to work.

About 2.3 million copies were lost a week ago in the industrial dispute. The News of the World's normal print run is 4.8 million; The Sunday Times, 1.4 million.

Mr. Murdoch shifted operations to the computerized plant after 5,500 printers went on strike Jan. 24 in a dispute over modernization and the resultant loss of jobs.

Mr. Murdoch dismissed the strikers, whose jobs were filled by about 500 workers at Wapping and 150 others at Glasgow.

Some unionized journalists and electricians have shifted to Wapping, and drivers from a private contractor have crossed picket lines.

The Trades Unions Congress, Britain's labor federation, has threatened to suspend the 360,000-member electricians union by Wednesday unless it disassociates itself from the new plants.

Correction

The president of IBM Philippines was identified incorrectly in an article Jan. 31. He is Roberto R. Romulo.

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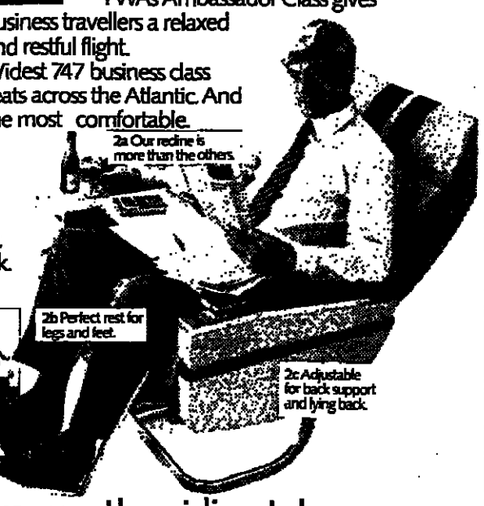

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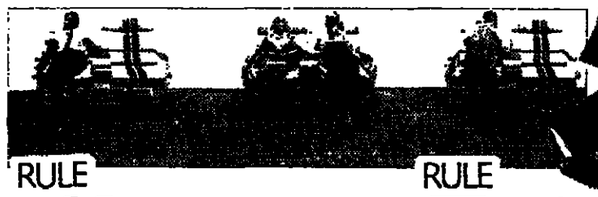

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AMERICAN TOPICS

Pentagon vs. Press: The Battle Goes On

After the Defense Department barred the press from covering the first days of the Grenada invasion in October 1983, the outcry led to two years of efforts by the U.S. military and news organizations to work out a mutually satisfactory means of working together. But despite seminars, studies and arrangements for press pools in emergencies, the animosities remain, The New York Times reports.

At the Naval War College in Newport, Rhode Island, a retired admiral said: "Operational security is not the problem. The problem is that when you write about us, you make us look bad."

Robert B. Sims, the Pentagon's chief spokesman, and Harry G. Summers Jr., a retired army officer who is now a military correspondent for U.S. News & World Report magazine, both say the worst animosities are among the military who were too young for Vietnam and the journalists who have not been in military service at all.

"The follow-on generation in the military believes all the myths about the media losing the war in Vietnam," said Mr. Summers. "And the follow-on generation of journalism knows nothing about the military."

Fred W. Friendly, a former CBS News producer who now runs seminars on society and the press at Columbia University, said: "I think the most you could say is that we understand each other better, but no more than that. Nothing has changed."

Reuters-UPI

PLANE TALK — President Ronald Reagan displayed a model of the hypersonic aerospace plane, currently under development, during a speech to high school students Friday in Annandale, Virginia. The plane is designed to fly anywhere in the world in three hours.

Short Takes

The Agriculture Department's fight with hydrilla, the aquatic weed that has been choking the Potomac River as it flows through Washington, D.C., reports that shining overhead lights on the plants at a time when they need uninterrupted darkness to form reproductive buds has cut growth by 50 percent and at a much lower cost than experiments using harvesters or herbicides. Lars W.J. Anderson, a plant physiologist for the department, says, "If we can use night lighting for several years in a row to counteract formation, we may be able to get the weed under control."

The United States is about to have its first poet laureate, under a new law championed by Senator Spark M. Matsunaga, a Hawaii Democrat who writes poetry in his spare time. The poet laureate will be named sometime this month. The title will be added to that of consultant in poetry, a position the Library of Congress has maintained for more than 50 years. The same person will hold both titles and responsibilities and will be paid $10,000 as laureate and $35,000 as consultant.

Phoenix, Arizona, whose population has shot up from 100,000 in 1950 to almost 900,000, has the highest level of carbon monoxide in its air of any city in the United States, The New York Times reports. The level is twice as high as that in the second-ranked city, Denver.

Notes About People

With eight months to go before the primary in the heavily Democratic 8th Congressional District of Massachusetts, the other nine candidates for the seat to be vacated by Representative Thomas P. O'Neill Jr., retiring as speaker of the House, face the problem of overcoming the celebrity status of the 10th candidate, **Joseph P. Kennedy 2d.** Analysts say the name alone has made Mr. Kennedy the front-runner. It also has forced each of the other candidates to try to depict himself as the second leading contender.

Thomas J. Vallely, a state representative, is running newspaper advertisements describing himself as "the other guy."

Vladimir Horowitz, 81, who has announced that he is returning to his native Russia to play two recitals this spring after an absence of 61 years, was asked on returning from a recent tour abroad if he was going to the Soviet Union as an American cultural ambassador or as a Russian returning home. Mr. Horowitz said: "I am an American. I have lived here for 40 years, longer than in Russia. This is my home."

It could only have happened to **Woody Allen,** the writer and actor born and bred in New York who once portrayed a bumbling bank robber in "Take the Money and Run." He says in the February issue of Gentlemen's Quarterly magazine that he was once visited by confused thieves who "had obviously been to another apartment before they hit mine, and they must have been scared by something because they dropped what they had and left. They left me a television set. That was my one experience with crime in New York."

— Compiled by ARTHUR HIGBEE

Reagan Vows to Cut Deficits Despite Court Ruling

By Bernard Weinraub
New York Times Service

WASHINGTON — President Ronald Reagan has pledged to continue to try to end federal budget deficits by 1991 despite a court ruling that a key portion of a new budget-balancing law was unconstitutional.

Mr. Reagan, in his weekly radio address Saturday, said the decision by a federal court here on Friday "does not invalidate" the law "nor does it diminish the determination of this administration or the responsibility of Congress" to reduce the deficit.

Mr. Reagan said deficit reduction would continue year by year "without undercutting the progress we've made in defense, without cutting Social Security or essential support programs and without raising your taxes."

A panel of three federal judges ruled unconstitutional Friday a key provision of the deficit-reducing law that would have forced automatic spending cuts to balance the budget by 1991. The court said the measure, the Gramm-Rudman-Hollings law, violated the separation between the executive and legislative branches of government.

Mr. Reagan said his top priority was "to cut the fat out of the federal budget and to stop anyone trying to cut the heart out of your family budgets."

"There's a ton of fat," Mr. Reagan said. "I'm talking about government spending over $2 billion for a Los Angeles mass transit system, about as much as government could collect in revenue from all the individual income taxes paid in the state of Mississippi this year."

The current deficit has reached more than $200 billion. Mr. Reagan's budget for fiscal year 1987, which begins in October, calls for reducing the deficit to under $144 billion without increasing taxes. The $994-billion budget, submitted last week, calls for the reduction or elimination of numerous domestic programs, and an increase in military spending. It spending cuts of $38 billion.

■ Little Short-Term Impact

The court ruling will have little immediate impact since the judges delayed its effect pending an appeal to the Supreme Court, The Associated Press reported from Washington. Some lawyers associated with the case do not expect a final decision until early summer.

Indirectly, the ruling could serve to weaken overall resolve to make a major dent in the deficit this year, some lawmakers say.

"It turns down the fire on the deficit a bit," said Bob Dole of Kansas, leader of the majority Republicans in the Senate. But he added, "I don't believe this lets anybody off the hook. The politics would dictate we make the hard choices."

The Senate Democratic leader, Robert C. Byrd of West Virginia, agreed. He said, "The pressure would be such that Congress would have to meet" the deficit-reduction targets under the budget law.

White House Balks but Joins Aid Plan for Africa

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — The United States, in a policy change forced by Congress, has joined an agency of the World Bank that helps African countries and has sent it a $71.8-million contribution.

The United States has become the 17th member of the agency, the Special Facility for Sub-Saharan Africa, which went into operation July 1 with money and pledges of $1.4 billion. The purpose of the agency is to support revitalization of sub-Saharan countries suffering from drought and grave economic problems.

The agency was created under the initiative of A.W. Clausen, the president of the International Bank for Reconstruction and Development, as the World Bank is officially known. But the Reagan Administration decided not to join. Its position was that the agency duplicated the work of other bodies and that the United States was doing enough for Africa through its own aid.

But through complex maneuvering on a catchall appropriations bill in December, House Democrats won approval for a $75-million appropriation for the agency. The appropriation was later reduced to $71.8 million by an automatic cut of 4.3 percent for 1986 appropriations under the Gramm-Rudman-Hollings budget law.

The House drive was led by Stan Lundine and Matthew F. McHugh, both of New York, and David R. Obey of Wisconsin.

The administration disliked the appropriation but had trouble opposing it because it was part of a package of other development bank appropriations that the administration favored.

"We didn't disapprove of the special facility," a State Department official said. "We thought we were doing the same thing through our bilateral programs. But Congress did what it did and so to be in conformance with the law we sent the check."

In an interview, Mr. Lundine, chairman of the House Banking Subcommittee on International Development Institutions and Finance, said, "To the best of my knowledge this represents the first time the Congress has mandated U.S. participation in a multilateral development bank when such participation has not been negotiated by the administration."

American membership means that American businesses will be allowed to compete for contracts that grow out of any of the lending programs.

The donors stipulated when the organization was established that only companies in their countries would have the right to bid on the work.

Aid specialists say a large amount of foreign aid is spent in the donor countries to buy power shovels, dredging machines, pipe layers and other equipment required in Third World development programs.

The agency has made nine loans totaling $197 million to seven countries — Ghana, Togo, Zaire, Rwanda, Zambia, Madagascar and Malawi.

In Togo, the money has gone to support a program for overhauling incentives in agriculture and improving farmers' incomes. In Ghana, the loans are used for road maintenance and consolidating imports.

The United States has said the agency duplicates activities of the International Development Association, which makes low-interest 50-year loans to the poorest countries. But more than half of the association's money goes to India, Bangladesh and China.

Mr. Clausen's staff at the World Bank argued that special measures had to be taken to deal exclusively with the problems of Africa.

Up to 50 Killed In Rail Crash in Canadian Rockies

Reuters

EDMONTON, Alberta — Up to 50 people were killed when a passenger train collided with a freight train in the Rocky Mountain foothills west of here. It was one of the worst rail disasters in Canadian history.

The accident Saturday occurred when a 114-car westbound freight train smashed into a high-speed passenger train after proceeding onto a single track from a double track.

Officials at the scene said they would not have an exact death toll until they could sort through the twisted rubble, but they estimated the toll at from 30 to 50 persons. About 90 persons were injured in the crash.

Witnesses at the scene, 175 miles (282 kilometers) west of Edmonton, said many passengers were killed when fire engulfed the front five coaches. All seven passenger coaches left the tracks.

Kennedy, After Appeal to Moscow, Says 25 Jews Will Be Allowed to Leave

New York Times Service

WASHINGTON — Senator Edward M. Kennedy says that 25 Jews for whom he interceded during a visit to the Soviet Union last week are being permitted to emigrate.

Mr. Kennedy, Democrat of Massachusetts, said Saturday that the 25 had, "in the words of the Soviets, 'been given favorable consideration consistent with Soviet laws.'"

He said six of them were already in the West.

Among the Jews expected to win permission to leave were Grigory and Issai Goldstein, two brothers who worked as physicists and first applied in 1971.

Jerry Goodman, executive director of the National Conference on Soviet Jewry, said the release of the Goldsteins was particularly significant because "they helped create the Jewish emigration movement."

Emigration is generally restricted for Soviet citizens, but many Jews, Germans, Armenians and others have received permission over the last 15 to 20 years on the ground of family reunification.

Jewish emigration reached a peak of 51,320 in 1979, according to Mr. Goodman, but has since dropped sharply. Only 1,140 left last year.

Moscow officials contend that most of the Soviet Union's 1.5 million Jews who have expressed an interest in emigrating have left. Jewish groups abroad say that 350,000 still want to leave.

Reuters-UPI

Edward M. Kennedy

Arrow Air Flights Curbed by Agency

Washington Post Service

WASHINGTON — The Federal Aviation Administration has temporarily grounded 10 of the 12 planes operated by Arrow Air after inspectors discovered "the use of unapproved spare parts" in the 10 planes. The crash of an Air Arrow charter in Gander, Newfoundland, in December killed 248 U.S. servicemen.

Colonel Terry Y. Arnold, an air force spokesman, said that the air force would fly no passengers on Arrow until an inspection by the agency had been completed and reviewed. Cargo flights, however, could resume as early as next week.

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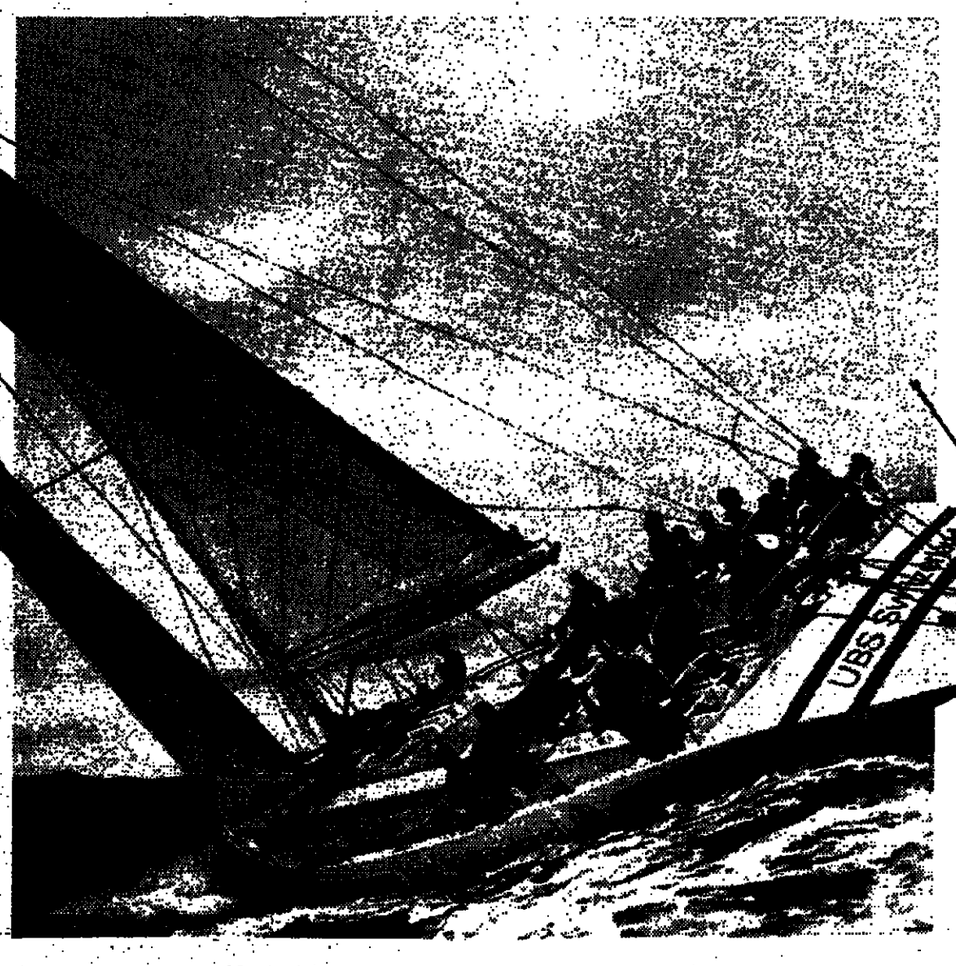

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U.S. Observer Calls on Marcos To Let Vote Count Continue

By Joanne Omang
Washington Post Service

WASHINGTON — Warning that the Philippine presidential election is "teetering on the brink of disaster," the head of the official U.S. observer delegation, Richard G. Lugar, pleaded Sunday with President Ferdinand E. Marcos to allow the delayed vote count to proceed.

Mr. Marcos blamed the delays on rough terrain and bad weather, and he accused the Roman Catholic church and clergy of pressuring voters to cast ballots for his challenger, Corazon C. Aquino.

The two men appeared Sunday on U.S. television interview programs.

The remarks of Mr. Lugar, Republican of Indiana and chairman of the Senate Foreign Relations Committee, appeared to reflect Reagan administration concern that time was running out if Philippine citizens and the U.S. public were to retain any faith in the results of Friday's election.

The voting was marred by widespread fraud and voter intimidation.

U.S. officials have made it clear that no matter who wins, a credible election is crucial if the next Philippine government is to have public backing for painful economic and military reforms and for combating a Communist insurgency.

President Ronald Reagan made a credible election a condition for increased U.S. aid. Mr. Marcos has said repeatedly that he would be saddened but not destroyed by withdrawal of U.S. aid.

Appearing from Manila on ABC-TV, Mr. Lugar said he "would plead with President Marcos" to "let the count continue."

He said Mr. Marcos had the power "to do about what he wants to do in this country," while Mrs. Aquino lacked the power to organize widespread fraud.

"I would hope that reform might still come in this process," said Mr. Lugar, referring to the vote count. "The political will to make the laws work, however, is at issue."

He agreed that "massive fraud" already had taken place but said, "There still could be a valid result.

"The election is still going on," he said. "It's teetering on the brink of disaster, but it is still in place."

U.S. policymakers have been meeting around the clock at the State Department to monitor reports from the Philippines. At stake in their desire to see a peaceful outcome are two huge U.S. military bases that are the chief American foothold in Asia.

Concerned that Mr. Marcos might charge them with meddling in Philippine affairs because of earlier reports of U.S. "disgust" over fraud, the officials clamped a lid on unofficial comments Sunday.

They were openly relieved, however, when Mr. Marcos promised in two television appearances Sunday that he had "no intent to cancel the election" because of fraud charges.

But officials worry that civil disturbances might occur in the Philippines if the lagging tally does not resume. Widespread chaos with the absence of a popular leader would be "made to order for the guerrillas" to expand their influence, an official said before the election.

U.S. officials said Mr. Marcos appeared to be preparing the ground to reject any criticism of the election from the church hierarchy or from the National Movement for Free Elections, a volunteer citizens group that has received accreditation to observe the vote counting.

No official U.S. statement is expected until Mr. Lugar's team makes a formal report and verdicts are reached by the Catholic Church in the Philippines and by the citizens' group.

The 20 American observers are scheduled to return to the United States on Monday.

The Associated Press

Jean-Claude Duvalier is helped from his limousine by his wife, Michele, as they arrive in Talloires, southeastern France, after a flight from Haiti aboard a U.S. Air Force jet.

U.S. Signals Cited In Duvalier Decision

By Don Oberdorfer
Washington Post Service

WASHINGTON — The Reagan administration concluded before Christmas that Jean-Claude Duvalier was losing his grip on power, and it "laid the groundwork" for his departure through a series of messages and signals of no confidence, according to U.S. officials.

The White House and State Department said in statements issued Friday, shortly after Mr. Duvalier's departure from Haiti, that he could only have remained in power "through repression and force" and that he had taken a "correct" course in deciding to leave.

Washington officials insisted that Mr. Duvalier's decision to leave was his own and that the decision was in doubt until "very late in the game."

But when he finally decided to flee, U.S. diplomats made arrangements Thursday with France to accept him temporarily and ordered an air force transport plane to take him and his family there.

Administration statements left the impression that Mr. Duvalier's decision to leave came in "a direct request" to the French ambassador in Port-au-Prince at about 2 P.M. Thursday.

But the State Department reportedly asked French officials to grant temporary refuge to Mr. Duvalier about four hours before Mr. Duvalier's meeting with the French ambassador.

It was considered urgent that Mr. Duvalier leave Haiti before the pre-Lenten festivities Friday. The presence of thousands of people in the streets, some of them emboldened by alcohol, could have brought the country to a new stage of crisis, a State Department official said.

In retrospect, the fatal shooting of three teen-agers by security forces late in November in the town of Gonaives seems to have been the beginning of the end for Mr. Duvalier.

That event caused the Reagan administration to hold up its plan to make an expected certification to Congress that Haiti was "making progress toward improving the human rights situation." Such a certification was required as a condition for supplying $26 million in aid.

Based on reports from the U.S. Embassy in Port-au-Prince, the Reagan administration made a judgment before Christmas that "Duvalier was slipping in a way we had not seen before," an official said Friday.

Moreover, the U.S. Ambassador, Clayton E. McManaway Jr., reported that the United States was widely seen in Haiti as "propping Duvalier up."

The administration in January began taking steps "to distance ourselves" from Mr. Duvalier, according to this account, and the Haitian government was officially informed that the aid certification would not be forthcoming.

With Washington's attitude becoming evident, "friends of Duvalier" approached U.S. officials several times during January asking whether he should leave.

The informal reply, an official said, was that "it would be a good idea."

At the same time, officials at the State Department and at the embassy in Port-au-Prince were discussing conditions for eventual U.S. support with Haitians interested in replacing Mr. Duvalier.

■ New Details of Departure

An "informal relationship" between Mr. Duvalier's wife and the first lady of Jamaica helped bring about negotiations that ended Mr. Duvalier's regime, The Associated Press reported Jamaica's official news agency as saying Saturday.

Prime Minister Edward P.G. Seaga was quoted by the Jamaica News Service as saying the relationship between Michele Duvalier and Mr. Seaga's wife, Mitsy, made it possible for a Jamaican emissary to talk with Mr. Duvalier three times between Sunday and Tuesday.

The emissary was identified by the news agency as Neville Gallimore, Jamaica's minister of social security.

Observers in Philippines Find 'Serious Anomalies' in Vote

(Continued from Page 1)

thought the count was being manipulated by the government.

"My own political judgment is that it's calculated," said the Indiana Republican, "that it came about after the government saw it had a close election and needed more time."

Mr. Lugar is leading an official U.S. delegation sent by President Ronald Reagan at the invitation of the Philippine government to observe and report on the conduct of the polls.

The senator said his group had seen "many scenes of wholesale fraud and abuse."

"But when you begin to tamper with the whole count itself," he said, "that really takes on great dimensions."

Mr. Marcos denied that his party or its agents were manipulating the election results.

"I think that we have done everything to make the elections fair, honest and clean," he said. "I am, of course, distressed that some people don't think so."

A spokesman for the international delegation, John Hume, was more restrained. He said that the abuses were "largely carried out in local areas by local officials who were supporters of the government."

The delegation reported "a number of competing counts which are damaging to the credibility of the process."

This was a reference to unofficial tabulations carried out by the official election commission; the National Movement for Free Elections, known as Namfrel; Mrs. Aquino's opposition alliance, and a government-controlled media group.

Jaime Opinion, the senior member of the election commission, said Sunday that Mr. Marcos was leading Mrs. Aquino by 5,846,875 votes to 5,395,860 according to results from about 47 percent of polling places sent in by commission officials.

Mr. Opinion said the president's lead had increased according to latest figures. He did not elaborate.

At about the same time, the National Movement for Free Elections said its tallies from 46.16 percent of polling precincts showed Mrs. Aquino ahead by 5,286,485 votes to 4,521,070.

Widow of U.S. Victim On Achille Lauro Dies

United Press International

NEW YORK — Marilyn Klinghoffer, the widow of a crippled American tourist who was shot and thrown overboard by the hijackers of an Italian cruise liner last year, died Sunday.

A spokeswoman at Lenox Hill Hospital said Mrs. Klinghoffer, 58, died early Sunday morning but declined to give more details. Other sources said Mrs. Klinghoffer was suffering from cancer and had been a patient in the hospital for two weeks.

Mrs. Klinghoffer's husband, Leon, 69, was shot and killed by Palestinian hijackers of the Italian cruise liner Achille Lauro on Oct. 7 and thrown into the Mediterranean along with his wheelchair.

Cuba Dropping 4 Politburo Veterans

Reuters

HAVANA — Four veteran leaders of Cuba's 1959 revolution have been dropped from the 14-member Politburo and replaced by younger leaders, including the group's first woman.

One-third of the Central Committee's 146 members were also replaced, with the emphasis on younger people, women and blacks.

As expected, the four-day party congress that ended Saturday ratified the leadership of President Fidel Castro and the position of his younger brother, Raúl, as No. 2 in the hierarchy.

In his closing speech to the 1,790 delegates, Mr. Castro said the extensive changes in the Politburo and Central Committee were necessary to make the party reflect the make-up of Cuban society.

"The changes in the party leadership used to be merely symbolic," Mr. Castro said, "but this time it is necessary to renovate."

The fact that many older party leaders were stepping down after 27 years to make way for younger ones did not mean that they had fallen into disgrace, he stressed.

Nevertheless, there was considerable surprise in party circles that Ramiro Valdés, who until recently was widely regarded as the third most powerful man in Cuba, was among those dropped from the Politburo.

Mr. Valdés, 53, had fought alongside Mr. Castro from the earliest days of the revolution and was in charge of internal security until his removal from the Interior Ministry two months ago.

The introduction of new leaders follows similar changes in government over the past year. A dozen veteran revolutionaries were dropped to make way for a new generation of bureaucrats in their mid-40s.

Their rise to power came as Cuba began a drive for greater efficiency and productivity in its state-controlled economy.

Mr. Castro stressed the need to diversify away from sugar, reduce imports and increase hard currency earnings from nontraditional exports and from tourism.

[Mr. Castro also said, "We will do everything possible to increase our aid" to Nicaragua if the U.S. Congress approves a $100-million request for military aid to the rebels, United Press International reported from Havana.]

NASA Was Warned Booster's Seals Might Break

(Continued from Page 1)

that it had consulted with the rocket's manufacturer, Morton Thiokol Inc., about concerns that cold weather at the launching site might have weakened the seals. But a NASA official told the commission that the manufacturer had concurred that the launch should proceed.

The seals are required because the booster is not a single, long structure, but four large cylindrical segments. The segments are bolted together, along with other components, at the Kennedy Space Center when the rocket is being prepared for launching.

Although the side of the rocket may appear leak-proof to the eye, there is room for gases to escape at the seams. Thus rocket engineers have devised a series of seals and other barriers to keep the gases inside.

Judson A. Lovingood, deputy manager of shuttle projects at the Marshall space center, was asked Thursday by the presidential commission if experts had examined the joints in the reusable boosters after previous shuttle flights to see if there was any evidence of leakage.

"We have seen some evidence of erosion of those seals, the primary seal," he said. "We've never seen any erosion of a secondary seal. But we have seen evidence of soot in between the two seals."

The possibility that cold weather might weaken the seals by causing shrinking, stiffening or some other effect is not explicitly addressed in the internal documents.

Instead, the memorandums focus on erosion and the effects of heat observed on the seals after previous flights. One memorandum suggested, however, that "environmental effects such as moisture" could be an indirect factor in causing erosion.

A memorandum prepared within the comptroller's office at NASA headquarters last summer used dire terms to describe the potential charring and erosion that might damage the effectiveness of the seals. The memorandum, dated July 23, 1985, was addressed to Michael B. Mann, head of of the resources analysis branch for the shuttle program, by Richard C. Cook, a subordinate.

Mr. Cook warned that "the charring of seals" that had been observed on recent shuttle flights posed "a potentially major problem affecting both flight safety and program costs."

In the joint between the nozzle section of the rocket and the adjoining segment, the memorandum said, "not only has the first O ring been destroyed, but the second has been partially eaten away." The memorandum did not say how often this had occurred.

The O rings are large doughnut-shaped pieces of synthetic rubber that fill the tiny gap between two cylindrical segments that are bolted together. The rings are themselves protected from heat and flame damage by an initial barrier of putty.

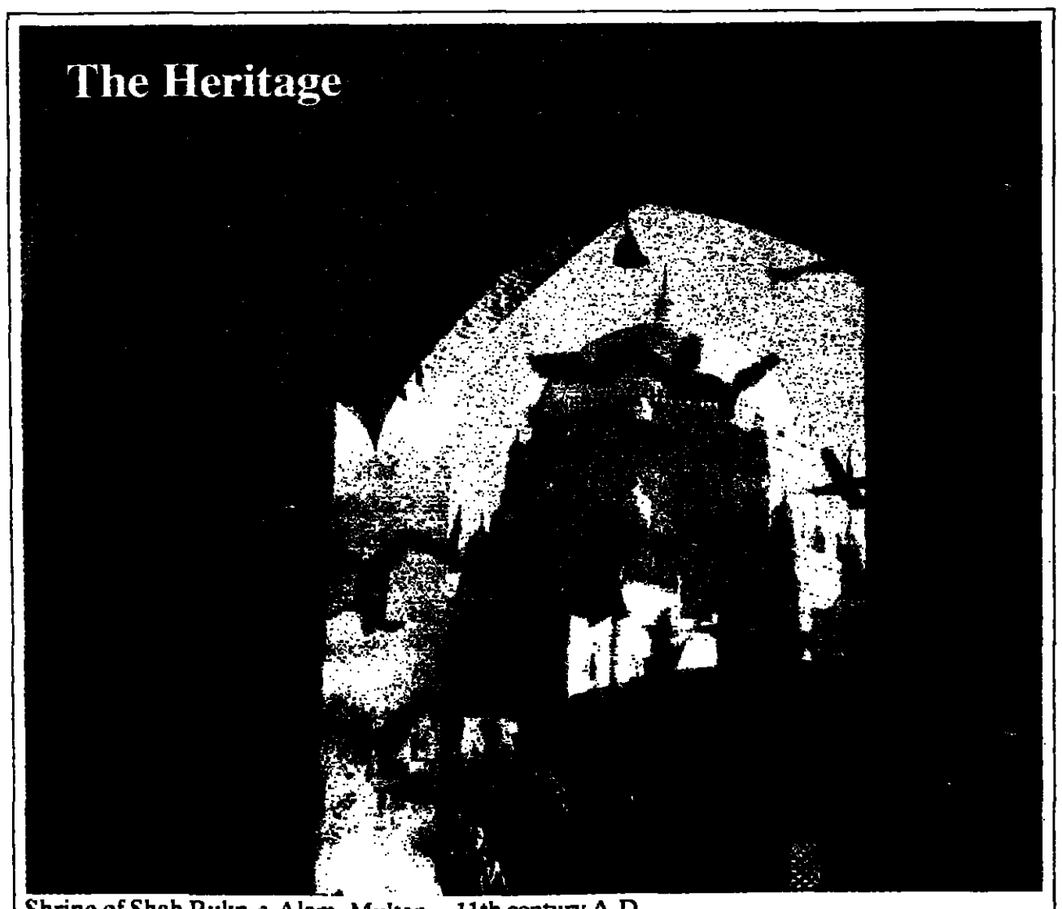
The joint referred to in the memorandum is the one nearest the spot where the plume of flame was seen to emerge from the side of the rocket just before the explosion that destroyed the Challenger.

The memorandum said that the cause of the erosion had not been determined.

It said, "There is little question, however, that flight safety has been and is still being compromised by potential failure of the seals, and it is acknowledged that failure during launch would certainly be catastrophic."

The memorandum said that the leadership of the space flight program "is viewing the situation with the utmost seriousness."

The Heritage



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Nigeria Leader Boldly Breaks With Example of Predecessors

(Continued from Page 1)

the alleged plot with a verbal lashing of his military colleagues.

"I am certain that unless we review our position and take the necessary steps to recapture and reinstate our professional military virtues, we may sooner or later become no better than civilians with guns," he said. "If that happens, we shall have disgraced the military profession and placed the nation in double jeopardy."

With such statements, General Babangida appears to many Nigerians to be slipping out of his military tunic and into a *riga*, the robe worn by many civilians. Indeed, when the general ordered pay cuts in the public and private sectors, he started with the military.

"When I was the chief of army staff, my perception was restricted to the army," he told The Guardian, a newspaper published in Lagos. "On getting onto this beat, I found there were a lot of other conflicting needs within the country: health, education, rural development problems, etc. I couldn't see it from that point of view when I was chief of army staff."

In an interview with the British Broadcasting Corp., General Babangida emphasized that the military was not going to determine Nigeria's political future.

"What type of people, what type of government, who should participate, who should be in government — I think these are questions that are going to be answered by the people themselves," he said. "And as much as possible the government is not going to interfere in the people's verdict."

Such deference to the populace, however, risks the appearance of indecisiveness. A special legal panel ruled recently that Nigeria's last civilian president, Shehu Shagari, who was overthrown by the military in December 1983 after presiding over what are generally recognized as four of the most corrupt years in post-independence Nigeria, was himself innocent of corruption charges and should be freed.

Rather than accept the finding, General Babangida has chosen to sample public opinion.

In the north, where Moslems make up more than 90 percent of the population, there have been impassioned cries for the release of Mr. Shagari, who, like the general, is a Moslem.

In the south, the verdict in his favor has been denounced. If the former president is released, The Guardian wrote, "The gap between the rulers and the ruled will further widen. There will be a rise in public cynicism, especially in the notions of culpability and official corruption."

There have been several weeks of confusion, both in the press and among government officials, over whether Nigeria joined the Islamic Conference Organization during its January meeting in Morocco.

Constitutionally, Nigeria is a secular state, but pressure from the Islamic north has in recent years pushed the country closer to the Moslem world.

General Babangida finally conceded last week that the country had indeed accepted membership. But in an apparent effort to defuse unhappiness in the south, he appointed a committee to study the issue.

Whether such caution is a conscious effort to arrive at national consensus or a way of defusing volatile issues through exhaustive public debate, it nevertheless reflects an uncertainty that could hinder the general's ability to cope with the nation's problems.

"He does not want to run the country as a military leader," said Dele Giwa, the editor of the weekly magazine, News Watch. "He wants to be as popular and accepted as possible."

صكات من الاصل

Shcharansky Swap Expected Tomorrow

By Warren Gerler
International Herald Tribune

BERLIN — Eight years into a 13-year prison sentence, Anatoli B. Shcharansky, a Soviet Jewish dissident, is expected to cross a bridge connecting East Germany with West Berlin on Tuesday, ending years of secret negotiations for his release to the West.

The anticipated release of the 38-year-old computer scientist and human rights activist is part of a major East-West prisoner exchange that has been the subject of high-level talks between Washington and Moscow, as well as Bonn and East Berlin, since last summer, according to U.S. and West German sources.

Scores of journalists have huddled for four days in freezing temperatures at the western end of the Glienicke Bridge, where the exchange is expected to take place involving nine individuals, including Mr. Shcharansky.

The bridge is where the last major East-West spy exchange was carried out in June when about two dozen Western agents jailed in the East were swapped for four Communist agents.

It is also where Francis Gary Powers, the U.S. U-2 spy plane pilot, was exchanged in 1962 for Rudolf Abel, one of the Soviet Union's top spies in the United States.

Mr. Shcharansky was charged and convicted in 1978 the Soviet Union of spying for the United States, he vigorously denied the charge. President Jimmy Carter made formal denials that Mr. Shcharansky, a campaigner for Jewish emigration to Israel, had spied for the West.

"Mr. Shcharansky is the only prominent Jewish 'refusenik' dissident who has been convicted on espionage charges," said Stephen Cohen, a Princeton University professor of politics. "It's clear that the Soviets wanted to get some of their spies back in exchange for Mr. Shcharansky," he said.

A signal that an exchange could be imminent came on Jan. 21, when a West German chancellery official told the International Herald Tribune that the West "may have a solution very soon" in talks for the release of Mr. Shcharansky and Andrei D. Sakharov, the Soviet nuclear physicist exiled in 1980 to the city of Gorky.

Bild, a conservative mass circulation West German newspaper with official sources in the Soviet Union, reported at the beginning of February that an agreement had been reached with the West for a prisoner exchange in Berlin, but excluding Mr. Sakharov.

In an interview published Saturday in L'Humanité, the French Communist Party newspaper, Mikhail S. Gorbachev ruled out a release for Mr. Sakharov. The Soviet leader contended that the scientist, who won the 1975 Nobel Peace Prize for his human rights activities, knew too many secrets related to the country's nuclear program.

No U.S. official has been willing to speculate publicly why the Russians would agree to the exchange.

Mr. Cohen said Soviet willingness to make the move had to be seen in two broader contexts.

"Mr. Gorbachev understands the Jewish emigration problem is an obstacle to his goal of improving détente with the West," Mr. Cohen said, "and thus toward achieving his goal of shifting priority to the domestic economy by releasing a prominent figure like Shcharansky, symbolically to show movement.

"The Soviets since last fall have been seeking to improve ties to Israel, and by exchanging Shcharansky they may have found a good way to do something on a sensitive Jewish emigration issue as far as its relations with Israel go, without being seen as caving in to the United States," he said.

Government sources in Bonn, quoted by Reuters, said the West would hand over five East-bloc spies in Tuesday's exchange.

They were named as:

- Two Czechoslovaks, Karl and Hana Koecher, arrested in the United States in 1984.
- Colonel Jerzy Kaczmarek, 34, of Poland, who is awaiting trial in West Germany.
- A former Soviet trade official, Yevgeni Zemlyakov, 39, jailed in West Germany for three years in 1985 on charges of industrial espionage.
- Detlef Scharfenorth, 43, an East German agent serving a four-year sentence for recruiting spies in West Germany and other Western countries.

■ Gorbachev Interview

Mr. Gorbachev's interview with L'Humanité was his first statement to a Western news organization since he met in Geneva with President Ronald Reagan in November, Reuters reported.

Mr. Gorbachev said that Mr. Sakharov had broken Soviet law and that measures had been taken against him accordingly.

"Sakharov lives in Gorky in normal conditions, conducts research and remains an academician of the U.S.S.R. Academy of Sciences," Mr. Gorbachev said. "He is in normal health, as far as I know."

The Associated Press

Roland Leroy, left, editor of the French Communist Party newspaper, L'Humanité, with Mikhail S. Gorbachev.

Mitterrand Defends Policies

(Continued from Page 1)

Gaullist Rally for the Republic, have said they would be willing to govern with Mr. Mitterrand remaining as president provided that they can implement their own policies without hindrance.

But a third, former Prime Minister Raymond Barre, who regularly tops political popularity polls, has said that he will not take part in a government that allows Mr. Mitterrand to remain, a formula dubbed *cohabitation*.

Many observers do not believe that Mr. Mitterrand, a politician of more than 40 years standing, would agree to take a back seat as president and allow his political opponents to run policy.

Without naming his rivals or their parties, Mr. Mitterrand scoffed Friday at various predictions of crisis and political chaos after the elections.

The opposition, he said, was drawing "diagrams and plans of a labyrinth" that would confront him after March 16.

"Who was it who told me that to get out of a labyrinth, you need Ariadne's thread?" he said.

In Greek mythology, a young Athenian, Theseus, fought and killed the Minotaur, a monster with the head of a bull on the body of a man, in a Cretan labyrinth where the beast was confined. To escape from the maze, Theseus followed a thread that Ariadne, his lover, had given him to trace his way out.

Mr. Mitterrand said that, in his case, Ariadne's thread was "the law, democracy and the constitution."

"Don't worry," he said. "With that Ariadne's thread, I shall not lose my way."

The president's appearance in Lille, the power base of Pierre Mauroy, his prime minister from May 1981 to July 1984, was vigorously criticized by the opposition.

Mr. Mitterrand's opponents say that such overt campaigning departs from the traditions of the Fifth Republic, founded in 1958 by Charles de Gaulle. Mr. Mitterrand's predecessors have all made their views known during election campaigns, but more discreetly, in fireside television appearances.

Friday's meeting, in a packed exhibition hall on the outskirts of Lille, was billed as a "Republican Rally" implying that it was an official occasion, but it had all the hallmarks of a well-organized campaign appearance.

Socialist officials said that 20,000 attended, a figure hotly disputed by the opposition. A fleet of buses brought party militants from surrounding towns.

Local newspapers reported that Roger Hanin, a prominent film director and a brother-in-law of the president, flew to Lille by ministerial plane earlier in the week to review the arrangements.

Mr. Mitterrand made his entrance at 8 P.M., to coincide with the main television evening news programs, and walked to the podium along a 300-yard (274-meter) red carpet.

Behind him as he spoke for nearly 90 minutes was a huge illuminated poster showing a church steeple — the symbol of his 1981 presidential campaign — with the slogan "With the President."

Libya Uses Live Ammunition in Maneuvers

By Judith Miller
New York Times Service

TRIPOLI, Libya — Libya has announced that its navy, air force and air defense units have started a week of maneuvers with live ammunition in the Tripoli area.

The announcement, broadcast Saturday on radio and television, said that the maneuvers began at noon that day and might continue until Sunday. No explanation was given. Diplomats said it was unusual for maneuvers to be conducted with live ammunition.

The exercises appear meant to coincide with the expected return of the U.S. 6th Fleet to waters off Libya sometime this week.

Pentagon officials said it was possible that two U.S. aircraft carriers, the Coral Sea and the Saratoga, might cross into the Gulf of Sidra, an inlet of the Mediterranean Sea that Libya considers part of its territorial waters. The United States and most Western countries do not recognize that claim.

During maneuvers off Libya at the end of January, ships of the 6th Fleet did not cross into the gulf. Colonel Moamer Qadhafi, the Libyan leader, has vowed to defend the parallel of 32.5 degrees north latitude, which Libya considers its territorial boundary separating the gulf from the Mediterranean.

In 1982, two Libyan Air Force planes were shot down by U.S. fighters after they challenged the planes' entry into what Libya considers its airspace.

The announcement of the Libyan maneuvers, diplomats said, seems part of a war of nerves between the United States and Libya, sparked by American assertions that Libya was involved in the attacks by terrorists on the Rome and Vienna airports in December in which 20 people died.

The announcement said the exercises would be confined to the Tripoli area, which is 200 miles (320 miles) west of the Gulf of Sidra.

Soviet-supplied MiG jet fighters stationed at the air base in Tripoli are capable of reaching targets in the gulf.

Saturday's announcement of maneuvers followed a declaration Friday by Colonel Qadhafi that he had ordered his air force to intercept any Israeli passenger plane within range. He said he was taking the measure in retaliation for Israel's interception of a Libyan civilian plane that was en route to Syria on Tuesday.

The announcement of the maneuvers starting Saturday said they would not interfere with regular air traffic at Tripoli International Airport.

"All aerial activity will be monitored visually and with radar to ensure the safety of civilian travelers," the announcement said.

Colonel Qadhafi placed Libyan armed forces on full alert in January after President Ronald Reagan's executive order that imposed economic sanctions and ordered all Americans in Libya to leave by Feb. 1.

Libya had no reaction to modifications of the United States's economic sanctions. The modifications appear intended to give companies more time to complete their business.

■ Warning to Israel Reaffirmed

Libya reaffirmed Sunday its intention to intercept Israeli civilian aircraft as its air force and navy entered a second day of maneuvers with live ammunition, Reuters reported from Tripoli.

The Foreign Ministry said in a statement that, based on Libya's right "to take all appropriate measures to defend its security and sovereignty and on the basis of the rules of reciprocity," it declares its intention to continue intercepting Israeli planes.

Tripoli Radio said that Libyan jets flew Saturday to "the limit of international airspace linking Italy and Greece in search of enemy Israeli aircraft."

Hussein-Arafat Talks Are Said to Collapse

(Continued from Page 1)

Palestinian state in confederation with Jordan.

In recent weeks, the U.S. has dropped its objections to an international conference with Soviet participation and agreed to limited PLO participation in the talks.

But the Reagan administration has adhered to a doctrine laid down a decade ago by Secretary of State Henry A. Kissinger that the United States would not talk with the PLO until the group publicly accepted two UN Security Council Resolutions, 242 and 338, that implicitly recognize Israel's right to exist.

Mr. Arafat has for years refused to accept the two resolutions because they refer to Palestinians only as refugees. The PLO has said it would accept the resolutions in return for U.S. recognition of Palestinian "self-determination," a term that has been interpreted as meaning an independent state.

"The peace process ended when Arafat left Amman," a diplomat said. "The king repeatedly told him that a failure to say 'yes' on 242 would be interpreted as a 'no.'"

Nonetheless, Palestinian officials tried to put a brave face on the collapse of the talks, describing it as the end of "the first round of negotiations." They said they expected a "second round."

Mr. Arafat met with Hussein a half dozen times during his visit and discussed various statements that the PLO considered making to satisfy the American conditions. As recently as Wednesday night, Mr. Arafat submitted three proposed statements to Hussein, who rejected them as inadequate.

One of the three statements, which had been suggested by a delegation of West Bank leaders, was similar to a statement made by Hussein in Washington last May that had been considered acceptable to the Reagan administration. But Mr. Arafat apparently amended the statement at the last minute and rendered it unacceptable.

One of the ironies of the collapse of the talks was that the positions of the various sides had narrowed significantly in recent weeks.

PLO leaders noted, for example, that the U.S. acceptance of an international conference and PLO participation was a significant breakthrough. They also hailed a U.S. government statement that spoke of Palestinian national rights.

But they said the American notion of a conference as a mediating forum, rather than having powers of binding arbitration, was still unacceptable to the PLO.

In an effort to make acceptance more palatable to the PLO, the United States said it would accept a statement from Mr. Arafat that spoke of self-determination, as long as it was not put as a condition for PLO acceptance of the UN resolutions.

■ 'Back to Square One'

Prime Minister Peres said Saturday that the Middle East peace process was "back to square one" after the failure of talks between Hussein and Mr. Arafat, Reuters reported Sunday from Tel Aviv.

■ Jordanian Aide Visits Syria

Prime Minister Zaid al-Rifai of Jordan flew Sunday to Syria to brief President Hafez al-Assad on "recent developments in the Middle East," Reuters reported from Damascus. No details of the talks, which were not announced in advance, were made public.

Panama Criticizes U.S.

Reuters

PANAMA CITY — Panama has sent a letter of protest to the U.S. ambassador here, criticizing alleged U.S. violations of the 1977 Panama Canal treaties and demanding improvements to the waterway.

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— condamné la Société FABIANI au paiement d'une somme de 5.000 F au titre de l'article 700 du nouveau code de procédure civile et aux dépens de première instance...

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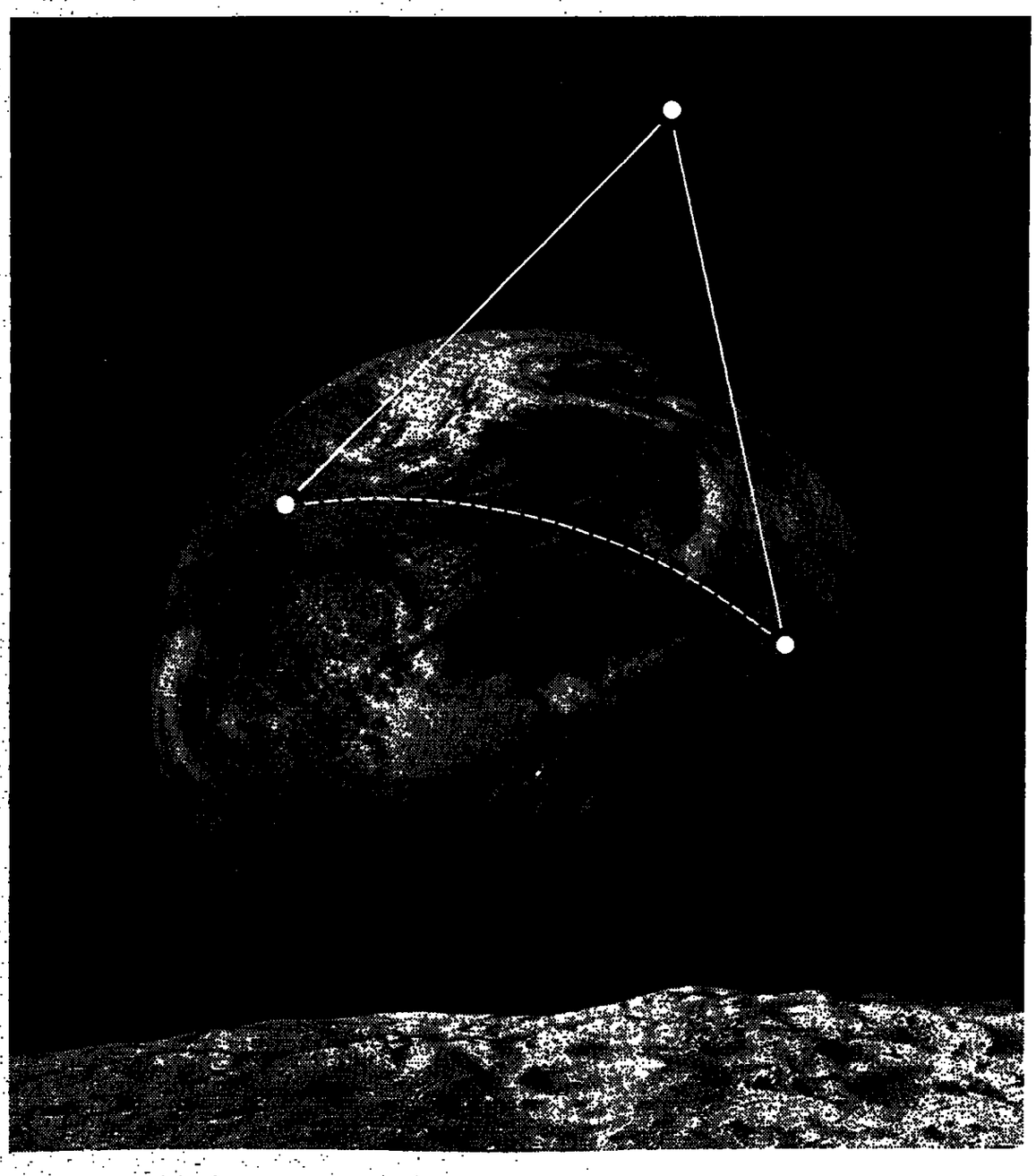

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Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Marcos Nears the Brink

Notwithstanding the faith that millions of Filipinos had reposed in the elections, the thought that they might deliver the Philippines to a smooth new beginning did not survive the polling on Friday. Not only Corazon Aquino but also foreign observers without an ax to grind, including Senator Richard Lugar, at once faulted the way President Ferdinand Marcos had run the process. And with some counts showing Mrs. Aquino in the lead, Mr. Marcos warned that he might void the vote rather than concede defeat. It is a volatile situation. President Marcos, his power challenged, should not be underestimated.

But surely most Filipinos, including many who voted for him, can see the country's vital interest in allowing the outcome of the election to reflect the popular will. This means first of all continuing the counting and permitting the independent vote-checking that alone can give the opposition confidence in the results — and indeed in the political process as a whole.

Confidence was always the real issue in the elections. America recognized this by emphasizing throughout that the purpose of the exercise was to create a mandate that the people found credible. Without such confidence, the Philippines, already facing a corrosive economic crisis and a rampant Communist insurgency, may find itself moving toward civil war.

If that comes, let it be plainly understood how it came about. President Marcos broke the rather forgiving rules of Philippine politics by ruling too long, too harshly, too arbitrarily and too greedily. Still, the democratic process offered his country a way to return to the habits of a more civil and orderly society. If Mr. Marcos cannot exercise the restraint necessary to assure his troubled country fair use of that process, he will bear the responsibility.

Some of the remarks he has made in the course of threatening to stay in power have a barbed edge. Mr. Marcos seemed to be saying that American concern over the fairness of the elections amounts to "abandonment" of a longtime ally. Actually, he is the one who by his conduct is shredding this traditional relationship. He also wanted it known — another veiled threat — that the U.S. bases at Clark and Subic Bay were in the balance, suggesting that if the Americans left he would be impelled to find a way to accommodate "the other powers in the region." He is right: The bases are important to America. But they are not more important than the condition of democracy in the Philippines. And most Americans understand that it is foolish to think of retaining access to the bases in circumstances of official threat or spreading unrest.

It is not the United States but the Philippines that is teetering on the brink of calamity.

— THE WASHINGTON POST.

Reagan Against Dictators

Whatever comes next in the Philippines and Haiti, dictators are reeling and America is their scourge. Hats off to President Reagan.

President Marcos may try to hang on in Manila by fair means and foul, and vastly complicate the return to democracy. But by abandoning its toasts of him and finally denouncing his murderous ways, the Reagan administration forced him into an election and revitalized a democratic opposition. And in Haiti, energetic American diplomacy obviously hastened the flight of "President for Life" Jean-Claude Duvalier. His replacement by an interim regime that promises the first free elections in 29 years begins to atone for shaming decades of American indifference.

These are only the most dramatic examples of the administration's roundabout return to an evenhanded human rights policy. After an initial coddling of "friendly authoritarians" and South Africa's racist regime, it now champions American values on a wide front. An effect, if not the motive, is to enhance respect for America's hostility to leftist tyrannies.

The shift has been uneven and marred by inglorious lapses — like Mr. Reagan's failure to find room for a word about South Africa in his State of the Union address. Nonetheless, an administration that began by excoriating Jimmy Carter for "destabilizing" right-wing authoritarians in Nicaragua and Iran now seems to recognize that defending them can be equally risky to U.S. interests. As recently as 1984, Mr. Reagan grandly argued that the alternative to Mr. Marcos was communism. Now he knows better and has conditioned more aid to the Philippines on an election credible to its people. That establishes a standard not only for judging Friday's election but for dealing with dictatorships everywhere.

The Reagan administration has changed its tune in Chile, where a seasoned ambassador, Harry Barnes, is actively reaching out to democratic opponents of an entrenched dictator, General Augusto Pinochet. This welcome tack is marred by the administration's failure to honor the law and oppose loans to Chile and other countries that grossly abuse human rights. It could also be tougher on South Korea, and it is offensively indulgent of a murderous regime in Liberia, the most generously aided African nation in per capital terms.

But a trend is clear. Washington is not only preaching democracy but actively encouraging it in many places. It has an especially promising opening in Guatemala, where an honest civilian president copes with the bitter fruit of a generation of indulged military misrule.

The right words and timely economic aid can bring more lasting benefit than guns. This kind of freedom-fighting violates no laws and inspires democrats the world over. There is a further lesson here for Mr. Reagan to ponder.

— THE NEW YORK TIMES.

Other Opinion

Steps in the Right Direction

It would be very optimistic and even unrealistic to suppose that the unlamented and long overdue departure from Haiti of the Duvalier dynasty will lead to any swift improvement in the conditions of that voodoo-infested hellhole. The trouble with protracted dictatorships of a primitive kind is that they create a political desert from which nothing can grow for a very long time. In the case of Haiti, pretty well the entire educated and professional elite — never substantial at the best of times — has fled, as has the commercial class. Some may now return from the United States. But the post-Duvalier anarchy is unlikely to act as a very effective magnet. About the only organizations intact after 28 years of Duvalier misrule are the army, which has assumed power, and the evil secret police, which is understandably facing the wrathful violence of the people. Mob rule or military rule — that would seem to be the choice, unless the United States can be prevailed upon to intervene.

Britain, as a former imperial power, should be able to understand Washington's predicament. If it does intervene, in an effort to impose some pattern of order, without which the people will starve, charges of colonialism will be heard. If it refrains from intervention, thereby allowing the Haitians the right to self-determination (i.e., the right to stew in their own juice), the no less damaging charge of indifference to poverty will be leveled.

Critics of the United States should note that the Haitian crowds welcoming their liberation waved the Stars and Stripes. Although the electorate of the Philippines are not doing anything comparable, they certainly ought to. They would have had no election but for American pressure. Neither Haiti nor the Philippines constitutes a great breakthrough in the struggle for freedom and democracy, but they are small steps in the right direction.

— The Sunday Telegraph (London).

Americans talk about poverty, landlessness and maldistributed wealth, but then we try to sell the notion that the remedies are political, not economic. Haiti under a freely elected president would still be resource-poor, poverty-stricken and desperate — unless something were done to improve its economy.

This confusion between politics and economics is routine in our dealings with the Third World. We talk about the poverty of Central America, for instance, but instead of proposing economic remedies for the region's economic problems, we gear up to fight communism. It is as though we had forgotten that it was poverty that paved the way for Communist advances, not the other way around.

The source of the confusion is that our stated goals are different from our actual ones. We say we care about the plight of the peasants, when what we really care about is American business and our struggle against communism. We make virtually no effort to export the American economic system. It is as if we secretly doubt that it will work in the Third World. We only know what we are against.

— William Raspberry in The Washington Post.

FROM OUR FEB. 10 PAGES, 75 AND 50 YEARS AGO

1911: Aviator's Parachute Is Tested

PARIS — Protecting an aviator in the event of an accident in mid-air is occupying the minds of inventors. Parachutes have been suggested, and an experiment with one was tried at the Eiffel Tower [on Feb. 9] that seemed to give complete satisfaction. The dummy entrusted to the proper working of the parachute came to no harm. The inventor, Gaston Hervieu, was congratulated by delegates of the Minister of War and of the Aéro-Club de France. For the experiment a monoplane châssis, without motor, was used. Attached to a cable, it was thrown from the first platform of the Tower, springs were released and the parachute opened. The dummy touched the ground so gently that had it been a living person the latter would have suffered no discomfort.

1936: Fire Destroys British Studios

LONDON — One of the worst fires the British film industry has experienced broke out [on Feb. 9], swept through a block of studio buildings at Elstree, the "English Hollywood," and destroyed property and equipment valued at more than $2,000,000. Flames leapt to a height of forty feet and could be seen for ten miles. Soon after the blaze started a series of explosions took place, spreading the flames to adjoining structures. Within a few minutes the fire, fanned by a brisk wind, was eating through buildings covering twelve acres. Damage at the British and Dominions Film Corporation, whose studios were razed, was estimated at $1,500,000, and two studios belonging to British International Pictures were damaged to the extent of $750,000. No one was injured.

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Overarmed Earth Could Go the Way of Challenger

By Adele Simmons and John Sanbonmatsu

AMHERST, Massachusetts — The tragedy of the shuttle Challenger should serve as ample reply to those few who continue to argue that a space-based defense against nuclear weapons is feasible. The Strategic Defense Initiative would turn all America into a space shuttle, making the existence of 200 million people depend on "flawless" technology.

With the initial shock and sadness past, we can begin to draw some lessons from the shuttle calamity. The most obvious one — that space technology is flawed — has profound ramifications for President Reagan's "star wars" program. The precise nature of Challenger's malfunction is irrelevant to this concern. The so far inexplicable self-immolation demonstrates with grim finality the delusion of "invulnerable" technology.

This should have come as no surprise. The fault does not lie in American technology but in the nature of technology itself. We are so used to our machines functioning correctly that when they go wrong we are invariably surprised, sometimes angry. But go wrong they will, inevitably. Hoping to build a "perfect" machine — one that will always work the way it is supposed to — is as unrealistic as hoping to build a perpetual-motion machine. The first defies human capacity for perfectibility, the second defies the laws of physics. Machines are mortal because we are mortal.

Until recently, Americans had been complacent about the complex, intricate machinery that prevents the superpowers from accidentally loosing nuclear weapons on one another. However, having realized the inadequacy of a world system held together by the threat of nuclear annihilation, America is now taking a different and more dangerous tack, plunging headlong into a vastly more complex, intricate and fallible technology: the Strategic Defense Initiative.

The space shuttle has come to represent technology at its most ingenious. It incorporates the most advanced technology available. Billions of dollars have been spent on the shuttle; thousands of the most highly skilled people in the country designed and built it. In spite of these genuinely impressive credentials, it blew up.

The enormous unsolved technical problems inherent in the "star wars" project make the technical hurdles of the shuttle program look facile. The space shuttle's launch sequence required some 10,000 lines of computer programming. The "star wars" software program would likely run into the tens of millions of lines.

Given virtual consensus in the scientific community that a space-based defense cannot be meaningfully effective against an incoming missile attack, why has Congress thus far appropriated more than $2 billion to fund the "star wars" program?

Perhaps because there is something exciting and comforting in the ideas that there are technical solutions to military and political problems, and that America's proved technical resourcefulness can be a panacea for the nuclear dilemma.

Idealism is infectious. Many in Congress have seemingly become caught up in Mr. Reagan's quest for a magical space shield. However, some members of Congress with sense enough to oppose the plan are as yet too shy to tell the emperor that he is wearing no clothes, uncomfortable with the idea of playing Cassandra in an era of national optimism.

As the debris from the Challenger are combed from the sea, one can hope that a lesson, albeit a terribly bitter one, has been learned.

If not, if the United States continues to gamble its children's future on an arms race that knows no bounds and on a space-based weapons system that invites global instability, we are likely to face a fireball similar to the one that engulfed the crew of the Challenger — except that it will be replicated across the globe, and may well consume the globe.

Adele Simmons is president of Hampshire College. John Sanbonmatsu is assistant to the director of the Five College (Amherst, Hampshire, Smith, Mount Holyoke and the University of Massachusetts) program for peace and world security. They contributed this comment to The New York Times.

The Case for Military Investment Is Upside Down

By Flora Lewis

BRUSSELS — The idea that new technology is critical to steady economic growth in the industrial world is coming to be linked perversely to defense spending. This is unhealthy.

A conference of high-ranking industrialists, officials and scientists from Europe and America here last week showed that the link is being taken for granted, without serious questioning.

Not everybody goes along. Carlo de Benedetti, head of Olivetti, warned that the social and political stability of the Western world is the real basis for its security. No amount of weapons can keep it safe if it lets its societies decay.

Lionel Olmer, a former U.S. undersecretary of commerce, warned that an obsession with preventing the Russians from acquiring Western technology can gravely constrict trade and the West's own development. Several European big businessmen see the danger of losing the benefits of rapid sharing of technology in the West as far greater than the risk of the Soviet Union being able to exploit Western inventions, especially as changes are coming so bewilderingly fast.

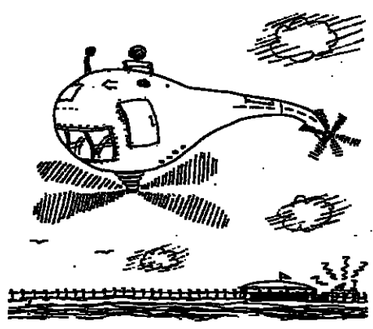
But these voices of prudence seem all but drowned out in a frenzy of expectation that "spin-offs" from military research for commercial purposes are going to provide the basis for a new era of prosperity. The notion has been mightily encouraged by the proponents of the Strategic Defense Initiative, President Reagan's idea for shooting down missiles.

Sir Peter Emery, a British member of Parliament and a businessman, called "star wars" a "mini-Marshall Plan" that will pull Europe out of its doldrums with U.S. largesse by commissioning new research here. There was a rousing, playing-field enthusiasm in his welcome to the great new panacea, and no reference at all to what, if anything, it will do in the way of defense.

There is a one-word answer to the idea that the best way to stir up a sluggish economy and get it ahead in the technology sweepstakes is through the military budget. It is Japan, which spends barely 1 percent of its GNP on defense.

Something is askew when people start to think that developing and applying inventions can work best for the civilian economy if the road takes a vastly expensive military detour.

And yet there is clearly some psychological reality in this illogical approach. The military is getting money to invest that is harder to raise for straightforward business ventures. There is scarcely any risk to the entrepreneur; the burden is all on the taxpayer. How has it come about that Western societies seem more willing to support science and innovation if it comes colored khaki than if it is required simply in the name of prosperity and creating jobs? This seems particularly odd under conservative governments, as in America and Britain, dedicated to the idea that vitality comes from the marketplace and the one good thing government can do is to stay out of it.



Drawing by Woodall.

Perhaps there is a nagging logic here. If it does take some government momentum and provision of infrastructure to get industry moving, and if the one thing government offers to spend money lavishly on is defense, then defense is going to be the key way to get into the action.

But this inversion of a free economy calls the role of leadership into serious question. If the people who make the important investment decisions are led to think that going through the military is the one way to get on with their jobs, values have been turned upside down.

Certainly, jobs and a healthy, productive society are worthy goals in their own right. The purpose of defense is to allow them to be pursued in safety and freedom, not to provide the incentive for doing what is necessary to seek them.

This is not to argue that defense and a sound military establishment are not essential. They are, in this quarrelsome world. But the ways they are planned and paid for should be judged on their own terms, not through the illusion of nourishing economic strength. That has been an important element of the Russians' failure, always putting defense first. It is time to stand back and ask why money isn't available for economic purposes unless it can be presented as a "spin-off" from the military.

The New York Times.

Portuguese Democracy Keeps Winning Elections

By Michael A. Ledeen

WASHINGTON — Portugal took a giant step toward stable democracy on Jan. 26, in a dramatic presidential election that reduced a five-man field to two — the candidate of the right, Diogo Freitas do Amaral, and the moderate socialist Mário Soares. Whatever the results of the runoff next Sunday, Portugal will be the winner, for both men are solid democrats and both are firmly committed to the Atlantic alliance.

The significance is by no means limited to Portugal, for the success of the democratic revolution in Portugal and Spain has served as a model for similar transitions in Central and Latin America. The Portuguese voters have sent an important lesson to voters from Brazil and Argentina to Guatemala and El Salvador.

Until the last moment there was reason to fear that Portugal was headed toward another serious crisis. The Communists convinced Francisco Salgado Zenha, for years the number two man in the Socialist Party, to enter the contest, and until the votes were counted he was expected to make it into the final round. If he had won he would have formed a popular front government, thereby raising the possibility that Portugal might return to the madness of the mid-1970s when Alvaro Cunhal, the pro-Soviet Communist leader, came within a whisker of seizing power.

The possibility was rendered all the more threatening when the current president, General António Ramalho Eanes, swung his considerable personal prestige behind Mr. Zenha. That left Mr. Zenha the candidate of three major parties — the Social Democrats, the Communists and General Eanes's newly formed group, the Party of Democratic Renewal.

It was taken for granted that Mr. Freitas would survive the first round. The only real question was whether Mr. Zenha could be stopped by former Prime Minister Soares.

The auguries were distinctly poor, for while Mr. Soares was one of the key figures in the democratic revolution a decade ago — when he and his Socialists successfully fought the Communists in the streets at a time when Henry Kissinger considered him "the Kerensky of Portugal" — he is also irrevocably linked to the economic deterioration that has left Portugal competing with Greece for the title of Europe's leading basket case.

During the campaign Mr. Soares alone was the object of violent demonstrations. His campaign, in which his main issue was his familiarity, seemed to many too banal at a time when Portugal must face serious internal difficulties and also stiff commercial competition from its new colleagues in the European Community.

By late December Mr. Soares had been written off by most analysts, including the experts in the U.S. Embassy in Lisbon and in the State Department. But Portuguese voters, by a healthy margin, showed that they had no stomach for dangerous experiments, and Mr. Soares prevailed.

Mr. Zenha's defeat is a blow for the Communists and their Soviet backers, perhaps even a checkmate for the foreseeable future. Mr. Cunhal has lost again, and his allies of convenience have been discredited. Indeed, there is now some question as to whether Mr. Eanes — widely considered the most popular political figure in the country, at least before this election — has a political future.

All democrats thus have good reason to celebrate the Portuguese election. Even in the most difficult circumstances (and Portugal has had a much tougher time than neighboring Spain), the Portuguese have achieved a successful transition from dictatorship. The voters have understood the importance of that transition.

Mr. Freitas is now the heavy favorite to win in the runoff. His outspoken conservatism worries the left and many centrists, but certainly no one fears that he will drive the country toward dictatorship. The good news is that there will be more elections in the months and years ahead.

The writer, a senior fellow at Georgetown University's Center for Strategic and International Studies, is writing a book on the democratic revolution in Latin Europe. He contributed this comment to The New York Times.

Watch Out For Revival Of Linkage

By Stephen Rosenfeld

WASHINGTON — Ronald Reagan sugarcoated a pill in his State of the Union message last Tuesday, but it remains a bitter pill and there is little sign that the president has figured out how it will go down.

The pill is the package of regional disputes that lie between Moscow and Washington. In Nicaragua, Afghanistan, Angola and Cambodia, insurgents supported one way or another by America are fighting against governments backed by the Soviets. Few people expect any of these conflicts to get anything but sharper and rawer in the foreseeable future.

The sugarcoating consists of President Reagan's delicate attempt to "de-link" these disputes, in two ways, from pursuit of arms control.

De-linking in diplomatic tactics: Mr. Reagan went to the summit last November pledging to keep the regional disputes front and center — a hint that he might make Soviet Third World restraint or concession a condition of whatever arms control steps became possible. But he has since moved arms control and these disputes into seemingly airtight pockets. Of course, everyone understands that if a dispute got really hot, all arms control bets would be off.

Implicitly Mr. Reagan has neared the position that Mikhail Gorbachev occupies explicitly: "The Soviet Union is opposed to making the implementation of disarmament measures dependent on the so-called regional conflicts." That is a formula for fencing off arms control and for continuing or even sharpening competition in the Third World.

De-linking in word: A year ago Mr. Reagan promised support to the familiar four guerrilla movements, identifying the deeper threat they oppose as "Soviet-supported aggression." In the interval he began direct dealings with the Kremlin, and now, although he remains faithful to the four insurgencies, he does so without making an open point of their connection to Soviet power, although that connection is as real as ever.

To take Mr. Reagan at his word, the sugarcoating may wear off soon. In his speech he notched up his commitment to the four insurgencies. Last year his pledge — earnest but rather noncommittal — was "not to break faith" with freedom fighters. This year, in an evident response to the common criticism that U.S. aid has been too skimpy to matter, he pledged moral and material aid "not just to fight and die for freedom but to fight and win freedom — to win freedom in Afghanistan, in Angola, in Cambodia and in Nicaragua."

One can argue about what it means to "win freedom" — about the nature of the freedom being sought by the Arturo Cruzes in Nicaragua and the Moslem fundamentalists in Afghanistan, about the difference between the strong Jonas Savimbi in Angola and the weak Son Sann in Cambodia, about the disparity between the U.S. interest in who rules nearby Nicaragua and who rules distant Cambodia.

Presumably the answers to these questions — vital questions that believers in anti-Communist insurgency tend to brush past — will be clearer after President Reagan sends Congress his message on regional conflicts following the February recess.

Meanwhile, Mr. Gorbachev will notice that Mr. Reagan is not merely promising to hang in there with the four insurgencies. He is setting more assertive goals for American policy — to "win freedom." In the State of the Union address anyway, he uttered not a word about negotiating political settlements. In the insurgency — in Nicaragua — for which U.S. aid is discussed most openly, he plans a big increase that would put aid into the $100-million range.

Congress, too, is bound to notice Mr. Reagan's new measure of commitment. Last June and July the swing bloc of House Democrats, previously more or less hesitant, moved more boldly in respect to each of the four insurgencies. But the Democrats did not move the whole way or the particular way that Mr. Reagan wanted in respect to any of the four.

Now he will be back, pushing — he warns — hard. The battle and maneuver over the "Reagan doctrine" of aiding anti-Communist guerrillas promises to provide one of the leading spectacles of this election year.

With Mr. Reagan in nuclear negotiations, which are hard for a broad public to follow, the burden of public engagement in foreign policy inevitably shifts to these tricky questions of Third World intervention to bestow democracy and freedom. Watch out.

The Washington Post.

LETTERS TO THE EDITOR

Endow Children Instead

Regarding the $80 million that the Lannan Foundation has received from the estate of its founder, J. Patrick Lannan, and what it plans to do with the money, namely, purchase contemporary art *(People, Jan. 9)*:

We urge J. Patrick Lannan Jr. to come to India and see what those precious millions can do to alleviate the plight of the street children of Delhi. They are rejects of humanity who know only hunger, cold and the company of fellow lepers who beg to survive. The street is their home and nobody wants them. A dog in the United States has a better life. Mr. Lannan should forget new art and invest in new kids instead.

FRANCINE ROCK ATWOOD.
CARE/India, New Delhi.

Not So Simple in Israel

Regarding the opinion column "'New Zionism' or Hebrew Democracy?" (Jan. 29) by Bernard Avishai:

Some of Mr. Avishai's comments on Israel are misleading.

Neither Arabs nor Jews can purchase Jewish National Fund land; both are entitled to lease it.

The statement that "Arabs and Jews still cannot marry" is incorrect. There is no civil marriage in Israel; couples must marry according to their religion. This does makes it hard for a Moslem and a Jew to marry. But if the religious authorities agree to a marriage or if a civil marriage is conducted elsewhere, or if the couple enter a common law marriage, there is no difficulty. There are many Arab-Jewish couples in Israel.

BARRY SHENKER.
London.

Tutu Is Non-Nonviolent

In response to the report "Tutu Assails His Critics" (Jan. 29):

One did not have to be "pro" or "anti" South African to be puzzled by the choice of Bishop Desmond Tutu for the Nobel Peace Prize in 1984, yet now he is never referred to without that title. He is a vociferous supporter of an organization that demands violence. Therefore, he sponsors violence. Any other interpretation is hairsplitting. But more, his insidious reference to the possibility of blacks attacking school buses carrying white children, and of black servants poisoning their employers, smacks of wishful thinking. To compare Bishop Tutu with Gandhi or Martin Luther King is blasphemy.

DOROTHY MILLER.
Le Bar-sur-Loup, France.

Stranger Than Fiction

I learn with amazement from a three-line "For the Record" report *(Feb. 3)* that President Reagan has suspended "most favored nation" trading status for Afghanistan. What had he been waiting for?

JAN E. BENTZON.
Bergen, Norway.

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International Herald Tribune

BUSINESS/FINANCE

EUROBONDS

Triple Shock to Market May Be Only Temporary

By CARL GEWIRTZ
International Herald Tribune

PARIS — Eurobond traders face a trying experience this week, assessing whether the blitz that hit the market late Friday augurs a fundamental shift in market psychology or whether it was only an unpleasant interlude. Bad news comes in threes and that's what the market got hit with.

First was the disappointing result at the U.S. Treasury's auction of $24 billion in 3-, 10- and 30-year paper. Second was the January employment data, showing a 0.2-percentage-point drop in the jobless rate. And third was a federal court ruling that the Gramm-Rudman deficit reduction law is unconstitutional.

The jobless rate decline, far bigger than analysts had been projecting, removed any hope of an imminent reduction in interest rates engineered by the Federal Reserve, a view reinforced later Friday by the court's ruling on Gramm-Rudman, since controlling the budget deficit is the key to lower interest rates.

Eurobond Yields
For Week Ended Feb. 5

U.S.$ lg term, Int'l inst.	9.73 %
U.S.$ long term, ind.	10.07 %
U.S.$ medium term, ind.	10.04 %
Can.$ medium term	10.98 %
French Fr. short term	10.39 %
Sterling medium term	11.73 %
Yen medium term, Int'l inst.	6.46 %
Yen lg term, Int'l inst.	6.65 %
ECU short term	8.94 %
ECU medium term	9.22 %
ECU long term	9.30 %
EUA medium term	8.71 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended Feb. 7
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	19,838.4	13,182.8	6,655.6
Euroclear	32,247.6	25,832.9	6,414.7

As Henry Kaufman, chief economist at Salomon Brothers, reported Friday: "These factors together should spell the end of any lingering market speculation of further overt Fed easing moves."

But the key question is whether this spells an end to the long bond market rally. Other analysts, looking beyond the immediate negative impact of last week's news, assert that the sharp drop in the price of oil has not yet begun to show up as lower inflation. When that happens, they say, the bond market will boom again.

"It's a natural setback," a New York banker said, "but it's only a change in the color of the optimism, not the depth."

The change in tone was set early in the week in the disappointing response to the Treasury's offerings. Only 15 percent was taken by the Japanese, estimated Takuma Amano of Yamaichi Securities in Tokyo, and the bulk of that was concentrated in the 30-year issue. Since mid-1985, Japanese purchases have accounted for around 30 percent of Treasury sales.

THE SLOWDOWN primarily reflects Japanese concern about a further decline of the dollar against the yen. This played a less important role in the 30-year issue since the Japanese tend to finance the purchase of those long-term bonds by borrowing short-term dollars.

The $1 billion of 10-year bonds targeted for sale internationally drew only an estimated $100 million from Japanese investors. European bankers also stayed out, complaining that there was too much risk for too little reward in bidding for paper. The bonds carry a coupon of 8⅞ percent, priced to yield 7 basis points less than the domestic issue.

A reflection of the uncertain mood was the flood of warrants issued by U.S. investment banks giving investors relatively low cost options to buy the Treasury's new 10- and 30-year bonds, an older 20-year bond and one option to sell the new 30-year bonds. The cost of the options vary, as do the exercise prices.

But the volume of the offerings suggests that people prefer to speculate laying out a few dollars for an option rather than paying the full price to buy the underlying paper and get stuck for a big loss if the market moves against them.

Just before the Treasury offering, Canada slipped in to offer $1 billion of 10-year bonds bearing a coupon of 9 percent and priced at 100¼ to yield 8.96 at the offering price and 9.28 percent to underwriters after allowing for their 2-percent front-end fees.

The paper was trading less the full fees before Friday's bad news hit the market. After, it fell to a discount of 2¾ points.

The Canadian issue, launched in an effort to bolster the government's reserves to defend its battered currency, sopped up a lot of the buying power that might otherwise have gone into the U.S. Treasury issue, bankers said.

Overall, however, the demand for 10-year paper at terms currently offered is not great. Bankers said five-year paper would be easier to place as that is the maximum maturity central banks are willing to accept to place their excess cash.

The European Community also tapped the 10-year market, offering $100 million bearing a coupon of 9⅛ percent and priced at 99⅞ to yield 20 basis points over the Treasury issue. Quoted

(Continued on Page 13, Col. 1)

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States

	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1613.42	1529.93	+5.46 %
DJ Util.	176.65	170.86	+3.39 %
DJ Trans.	762.23	739.20	+3.12 %
S & P 100	207.48	199.94	+3.77 %
S & P 500	214.55	206.25	+4.02 %
NYSE Cp.	123.70	135.97	—9.92 %

Source: Merrill Lynch, Paris.

Britain

FTSE 100	1445.00	1435.60	+0.65 %
FT 30	1187.70	1156.40	+2.71 %

Hong Kong

Hang Seng	1734.04	1695.78	+2.26 %

Japan

Nikkei 225	13212.13	13024.30	+1.44 %

West Germany

Commerzbk	2031.10	1950.40	+4.14 %

Source: James Capel & Co, London.

Money Rates

United States

	Last Wk.	Prev.Wk.
Discount rate	7½	7½
Federal funds rate	7 11/16	8¼
Prime rate	9½	9½

Japan

Discount	4½	4½
Call money	5¾	6
60-day interbank	5⅝	6

West Germany

Lombard	5.50	5.50
Overnight	4.50	4.35
1-month interbank	4.40	4.45

Britain

Bank base rate	12½	12½
Call money	12	12¾
3-month interbank	12 13/64	12 9/32

Dollar

	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl Index	n.a.	123.40	—%

Gold

London p.m. fix. $	337.20	350.50	—3.94 %

Currency Rates

Cross Rates Feb. 7

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.707	3.865	112.93 *	36.835 *	0.166 *	—	5.522 *	133.65 *	141.98 y
Brussels(a)	49.835	68.897	20.4575	6.673	3.0073 *	18.116	—	24.2255	25.738 *
Frankfurt	2.3972	3.377	—	32.63 *	1.4695 x	88.565 *	4.884 *	118.40 *	1.258 *
London (b)	1.403	—	3.3635	10.321	2,283.00	3.81	68.85	2.8495	267.34
Milan	1,631.25	2,288.00	680.49	221.96	—	602.77	33.24	804.85	8.556
New York(c)	—	0.7166 =	2.4045	7.37	1,637.00	2.7175	49.39	2.039	190.90
Paris	7.348	10.312	3.0645	—	4.5055 x	2.7137	14.9775 *	3.6268	3.8534 *
Tokyo	190.85	266.52	79.49	25.95	11.70 *	70.41	388.70 *	94.06	—
Zurich	2.034	2.8457	84.48 *	27.565 *	0.1241 *	74.84 *	4.3341 *	—	1.0649 *
1 ECU	0.9036	0.6422	2.1680	6.646	1,475.13	2.4480	44.3489	1.8321	172.317
1 SDR	1.1114	0.79183	2.66425	N.Q.	N.Q.	3.0086	54.4975	2.2511	212.111

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (=) To buy one pound: $U.S.1.3955

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.344	Mex. peso	498.00	Soviet ruble	0.7455
Austral. $	1.4388	Greek drac.	145.50	Norw. krone	7.445	Span. peseta	151.05
Austr. schil.	16.80	Hong Kong $	7.8065	Phil. peso	18.90	Swed. krona	7.55
Belg. fin. fr.	49.39	Indian rupee	12.5156	Port. escudo	154.00	Taiwan $	39.3
Brazil cruz.	12,500.00	Indo. rupiah	1,127.00	Saudi riyal	3.651	Thai baht	26.545
Canadian $	1.408	Irish £	0.7874	Sing. $	2.1335	Turkish lira	587.70
Chinese yuan	3.2079	Israeli shek.	1.485	S. Afr. rand	2.2779	UAE dirham	3.6725
Danish krone	8.8525	Kuwaiti dinar	0.287	S. Kor. won	889.06	Venez. boliv.	18.45
Egypt. pound	1.34	Malay. ring.	2.465				

£ Sterling: 1.1143 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

To Our Readers

All major markets remained closed in Hong Kong and Singapore Monday for the lunar new year. Trading will resume on Wednesday.

Vantona Seeking Coats PLC

Offer Is Valued At £700 Million

By Bob Hagerty
International Herald Tribune

LONDON — Vantona Viyella PLC is seeking an agreement to acquire Coats Patons PLC for about £700 million ($982 million) in a merger that would create Britain's biggest textile company, financial sources said Sunday.

At that price, the offer would have an indicated value of 250 pence per share. It was not immediately clear how the Vantona offer would be structured.

Coats agreed last month to be acquired by Dawson International PLC, a much smaller textile concern, for about £625 million. But Vantona officials were holding talks with Coats Sunday in an effort to win the approval of the Coats board for a Vantona offer.

A banker close to the talks said an agreement could be announced as early as Monday.

Combining Vantona and Coats would create a company with a stock market value of around £1.1 billion, surpassing Courtaulds PLC, which is currently Britain's largest textile concern. Vantona has annual sales of about £600 million and Coats's sales are about £1.1 billion.

Coats has long suffered from a lackluster image on the stock market and its agreement with Dawson was widely viewed as a means of defending against the danger of a hostile takeover bid.

Dawson's annual sales are only about a quarter those of Coats, but Dawson's chairman and chief executive, Ronald Miller, was named to hold the same top posts at the combined company when the merger plan was announced.

Based in Glasgow, Coats makes clothing, thread, yarn, fabric and other products. Its clothing brands include Jaeger and Country Casuals. Two-thirds of the company's sales come from outside Britain.

Manchester-based Vantona, which makes a variety of clothing and fabric and has rights to the Van Heusen brand name outside of the Americas, last summer acquired Nottingham Manufacturing Co., a maker of knitwear and carpets, for about £200 million.

Clausen Looks Back in Frustration

He Gets Little Credit for Expanded Role of World Bank

By John M. Broder
Los Angeles Times Service

WASHINGTON — In the tiny West African nation of Togo, fundamental economic change is under way. The country's farmers, who have long suffered from low, government-controlled prices for their cotton, cocoa and coffee, are beginning to receive market prices for their crops. Togo's inefficient, state-run transport, milk and steel companies are being transferred to private hands.

The goal of the policy shift is to improve living standards for Togo's impoverished 2.9 million people and to reduce its crippling debt to foreign lenders. The change, as much political as economic, is being financed by loans from the World Bank, including $27.8 million in 1985.

The Togo program represents a new type of loan and a new role for the World Bank, which itself is going through a transformation as it prepares for a change in leadership later this year when A.W. Clausen leaves after five frustrating years as president.

The 62-year-old former chief executive of BankAmerica Corp. departs somewhat embittered because the Reagan administration, which rebuffed his efforts to expand the bank's influence, has now come to accept the vision of the bank he has long championed.

For 40 years, the international lending agency, with 149 member nations, has devoted itself to rebuilding countries devastated by war and natural disasters and financing development projects such as roads, dams and ports. The only conditions for World Bank loans were that the projects be worthy and the money be repaid.

Today, however, the World Bank increasingly is attaching strings to its loans, demanding that borrowers such as Togo restructure their economies to reduce public deficits and encourage private enterprise. The World Bank began such "policy-based" lending in 1980 on the premise that it could spur growth and democracy with financial incentives. Last year, 11 percent of its $11.3 billion in new loan commitments carried such conditions and the share is growing yearly.

The change is welcomed by the Reagan administration as an overdue shift from what it considers the bank's "socialist" philosophy. Yet it threatens to shatter the bank's carefully crafted benign image in the developing world, where it risks being

Camera Press

A.W. Clausen leaves his post as World Bank president on July 1 after five years.

seen as yet another enforcer of the industrial world's economic imperialism.

Mr. Clausen recognizes the danger but insists that the bank must alter its approach or slide into irrelevance.

"As we move more into policy-based and adjustment lending, there is a possibility that we'll be charged with interfering and meddling," he acknowledged in an interview in his Washington office. "That need not happen if we comport ourselves intelligently.

"Our role is to help countries sort out their economic and policy alternatives and assist them in putting in place policies that help them generate

(Continued on Page 17, Col. 5)

OPEC Leader, Norway Minister Meet for Talks

Compiled by Our Staff From Dispatches

GENEVA — The Norwegian oil minister, Kaare Kristiansen, arrived Sunday in Geneva where he was expected to have talks with Arturo Hernández Grisanti, the OPEC chairman, about crude prices and oil production.

Meanwhile, Iran accused its OPEC partners, Saudi Arabia and Kuwait, of being the principal forces behind tumbling world oil prices. Britain, which has been castigated by many OPEC members for not lowering its production, has little direct influence on the market, Iran said.

Mr. Hernández Grisanti, who is Venezuela's oil minister, and Francisco Labastida Ochoa, the oil minister of Mexico, which is not an OPEC member, are visiting several OPEC and non-OPEC oil-producing countries to present proposals aimed at stabilizing prices.

Mr. Hernández Grisanti arrived in Geneva on Saturday. Official sources in Oslo had said earlier that Mr. Hernández Grisanti and Mr. Kristiansen were likely to hold discussions this weekend.

Norway and Britain, which do not belong to the Organization of Petroleum Exporting Countries, have been urged by OPEC nations to reduce their output.

Norwegian sources said on Friday that Norway would not offer to cooperate with OPEC on production curbs, but one source said Oslo was prepared to "exchange views and give them our position."

The official Saudi Press Agency reported Saturday that the Venezuelan and Mexican ministers had had discussions with the Saudi oil minister, Sheikh Ahmed Zaki Yamani, in Riyadh.

It said they discussed results of a five-man ministerial committee of OPEC, which met earlier this week in Vienna in an attempt to define and secure the 13-nation group's "fair share of the oil market." It did not elaborate.

On Friday, the two ministers met the Egyptian oil minister, Abdel-Hadi Kandil, in Cairo.

Mr. Labastida Ochoa said that they had agreed on several proposals to bring order into the oil market, but he declined to be more specific before the reaction was known of other producer countries.

Mr. Hernandez Grisanti reportedly is trying to get nonmembers to join OPEC ministers at a "consultative meeting" of producer nations that according to some reports is planned for mid-March in Geneva.

Mr. Kandil said that the Venezuelan had invited him, but that his country would attend only under certain conditions, which he would not name.

In Iran, Tehran Radio quoted Prime Minister Mir-Hussein Moussavi as saying there was "no justification" for present Saudi export levels, which the Iranian news agency IRNA said had reached six million barrels a day.

Mr. Moussavi denied allegations that Britain's refusal to curb production is responsible for driving oil prices lower.

He said Britain had little direct influence on the market and that Saudi Arabian and Kuwaiti exports were the main factor in the price fall. *(Reuters, AP)*

Latin Debtors, Hit by Oil Crisis, May Raise Pressure on Creditors

Compiled by Our Staff From Dispatches

WASHINGTON — Latin American foreign ministers meet here this week to discuss the impact of falling oil prices on the region's debtor nations.

After talks last month in Cancún, Mexico, President Miguel de la Madrid of Mexico and President Jaime Lusinchi of Venezuela called an emergency meeting of the Cartagena group of 11 Latin American debtor nations as spot oil prices plummeted.

The two countries, which between them export three million barrels a day, have seen their income drop by more than 10 percent each in the past year, and further oil price cuts have undermined their ability to service combined debts of around $130 billion.

"The situation has deteriorated so rapidly that we cannot ignore the consequences for our economies," a senior Venezuelan official said.

Five ministers will be meeting in Washington, those from Argentina, Brazil, Colombia, Mexico and Venezuela. They form a monitoring committee set up in Montevideo in December to watch developments that seriously affect debtor nations.

Also attending will be the Uruguayan foreign minister, Enrique Iglesias, acting secretary of the group, which was formed in Cartagena, Colombia, in June 1984.

Mr. Iglesias is likely to raise the debt issue in a meeting Monday with the U.S. secretary of state, George P. Shultz, to discuss Central America.

Venezuela's foreign minister, Simon Alberto Consalvi, said the Cartagena group will review action needed in the light of the Cancún statement, which described the oil collapse as too severe to be offset by internal economic adjustments alone.

With no finance ministers present, the meeting will not go into technical details, but the gravity of the oil collapse for Mexico in particular is likely to prompt the Cartagena group to step up pressure on creditors.

While Mr. Lusinchi and Mr. de la Madrid were the first to warn of the economic implications of the oil crisis, the Mexican finance minister, Jesús Silva Herzog, has gone a step further by warning of a possible international financial crisis.

"The aim is to make a political statement on the situation and take the Cartagena process a stage further," the Venezuelan official said, without elaborating.

At their Montevideo meeting, the Cartagena nations warned that unless action is taken to reduce the

(Continued on Page 13, Col. 5)

Auto-Parts Companies From Japan Invade U.S.

By Linda Sieg
Reuters

TOKYO — Japanese auto-parts companies are setting up shop in the United States in growing numbers and are threatening to take business away from their U.S. counterparts, industry analysts here are saying.

"Some people say they are trying to build an empire," said Hiromichi Itoh, representative director in Japan of Borg-Warner Corp. KK, a subsidiary of the Chicago-based parts-maker Borg-Warner Corp.

"It's happening from brake linings to radios," said David Keller, an analyst here with broker James Capel & Co.

A survey by a foreign securities firm in Tokyo showed that at least 26 Japanese companies are planning or considering setting up local production facilities or new subsidiaries in the United States, either independently or with American companies.

They include Asahi Glass Co., Clarion Co. of the Nissan Motors group, and Toyoda Gosei Co.

Japanese industry officials say they will not be satisfied selling only to Japanese car makers who are setting up in the United States. They also want to sell to Detroit's Big Three — Chrysler Corp., Ford Motor Co. and General Motors Corp.

"That's what U.S. firms are most concerned about," said Steven Chang, representative director of Nippon Champion Spark Plug KK, a subsidiary of Champion Spark Plug Co. of Ohio.

"There's definitely going to be more competition," said Owen Hultman of Smith, Barney Harris Upham International Inc.

"It wouldn't be profitable to supply only Japanese car makers producing in the U.S.," explained Yoshihiro Okawara, director of the Japanese Auto Parts Manufacturers Association.

"We're also interested in the after-service market and in selling to Ford and General Motors, and eventually in exporting to third countries from the U.S."

Japanese auto-part makers also see local production in the United States as one way of getting around the possibility that frustration over Japan's huge trade surplus may translate into local-content guidelines for Japanese car makers in America.

"If there were no trade friction, it would be easier simply to export to the U.S.," Mr. Okawara said. "But there is a feeling in the U.S. that this is not desirable."

The growing strength of the yen against the dollar is pushing parts makers, like other Japanese manufacturers, to step up their local production plans, he added.

'American cars will have higher Japanese content than Japanese cars,' one observer predicts.

"There is pressure on Japanese car assemblers to get their affiliated parts makers over there in case local content does come about," said one U.S. government official in Tokyo. "If they are employing American workers and using U.S. materials, it seems as if they could call it 'made in the USA.'"

American car manufacturers are approaching Japanese parts makers for joint ventures. GM last year concluded a basic agreement to set up a joint venture with NHK Spring Co. to make reinforced plastic auto parts in Japan, an NHK Spring spokesman said.

Nihon Radiator Co. and General Motors are studying the feasibility of setting up a joint venture to make car air-conditioner compressors in Japan, Nihon Radiator said.

"American cars will have higher Japanese content than Japanese cars," Mr. Chang, the Champion Spark Plug executive, said. "There's no pressure on GM to decrease its Japanese components."

A GM official said that while his company is oriented toward buying from U.S. companies, it imported about $350 million worth of Japanese parts last year. He predicted that imports from Japan would decrease as Japanese makers increase production in the United States.

The official also said that parts made by Japanese manufacturers in the United States should be considered as satisfying local-content guidelines.

"If a part is made in the U.S. by any manufacturer, it's got to be considered local content," he said. "They're paying U.S. taxes and U.S. citizens are working in the plant."

Local U.S. governments eager to attract Japanese investment to their states appear to have a similar view. Last month, the governors of Illinois and Kentucky visited Japan for talks with Japanese auto-parts makers about setting up American plants.

All these Bonds have been sold. This announcement appears as a matter of record only.

NEW ISSUE — February 7, 1986

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Commerzbank Aktiengesellschaft — Compagnie de Banque et d'Investissements, CBI — Compagnie Monégasque de Banque — County Bank Limited
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Kansallis-Osake-Pankki — KB International (Hong Kong) Limited — Kleinwort, Benson Limited — Kredietbank S.A. Luxembourgeoise
Kredietbank (Suisse) S.A. — F. van Lanschot Bankiers N.V. — Manufacturers Hanover Limited — Mitsubishi Finance International Limited
Morgan Guaranty Ltd — Nederlandsche Middenstandsbank nv — The Nikko Securities Co., (Europe) Ltd. — Nippon European Bank S.A. LTCB Group
Nomura International Limited — Orion Royal Bank Limited — Pierson, Heldring & Pierson N.V. — PK Christiania Bank (UK) Ltd.
Salzburger Sparkasse — Sanwa International Limited — Société Générale — Société Générale Alsacienne de Banque Luxembourg
Société Nationale de Crédit à l'Industrie/Nationale Maatschappij voor Krediet aan de Nijverheid — Sumitomo Trust International Limited
Svenska Handelsbanken Group — United Overseas Bank (Luxembourg) S.A. — Van der Hoop Offers N.V.
Vereins- und Westbank Aktiengesellschaft — Westpac Banking Corporation — Wood Gundy Inc. — Yamaichi International (Europe) Limited

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277.
Prices may vary according to market conditions and other factors.

RECENT ISSUES

Feb. 6

Amt	Security	Mat	Strt/Conv	Issue Price	Mid Price	Yield
$ 200	Philip Morris Co Inc	9⅝ ¾ '98 Feb	s	100⅝	98	10.17
$ 125	Saab-Scania	7½ ¾ '91 Feb	s	100⅜	100	9.38
$ 200	Merrill Lynch Co	9 ¾ '89 Feb	s	100⅛	99⅞	9.10
$ 150	Credit National	9⅛ ¾ '96 Feb	s	100	99¼	9.27
y 10000	Associates North Amer	6⅝ ¾ '93 Nov	s	100⅝	98½	6.87
$ 50	Feder Business Dev Bk	8⅞ ¾ '90 Feb	s	100	97	9.35
$ 250	Grace Wr & Co 11.81	7 ¾ '00 Nov	c	100	103½	4.73
dm 200	Caisse Nat Telecomm	6⅝ ¾ '96 Feb	s	100	99¼	6.44
$ 100	Swedish Export Credit	9¼ ¾ '93 Oct	s	101⅛	99⅞	9.33
$ 200	Procter & Gamble	9½ ¾ '98 Feb	s	100⅜	98¼	9.68
dm 150	Ireland Pp	6⅝ ¾ '96 Feb	s	100	98¼	7.12
dm 300	Eib Europ Invest Bank	6⅛ ¾ '96 Feb	s	100	99¼	6.41
dm 100	Indust Dev Bank India	7 ¾ '93 Feb	s	99¼	99	7.10
$ 100	Paccar Financial Co	9⅜ ¾ '91 Feb	s	100⅛	98¼	9.58
dm 200	World Bank Pp	6⅝ ¾ '92 Feb	s	99⅛	99¼	6.63
$ 125	Manitoba Province	8⅞ ¾ '91 Feb	s	100	98¼	9.28
$ 100	Norsk Hydro	8½ ¾ '91 Feb	s	99⅜	97½	9.15
$ 100	Finland	8½ ¾ '91 Jan	s	99½	98	9.81
ecu 35	Chrysler Financial Co	9¼ ¾ '94 Mar	s	100	97¼	9.66
y 30000	Ford Motor Credit Co	6⅝ ¾ '91 Jan	s	101⅛	99¼	6.93
$ 300	Union Bk Switzerl W/w	5½ ¾ '93 Feb	s	100	102⅝	5.02
dm 150	Asko Finance	3 ¾ '93 Jan	s	100	104¼	2.33
dm 250	Volkswagen Intl F W/w	3 ¾ '96 Jan	s	100	155	1.96
$ 100	Ecs Euro Coal & Steel	9⅝ ¾ '96 Jan	s	100⅛	99¼	9.41
y 20000	Allied-Signal Inc	6⅝ ¾ '93 Jan	s	101	99⅞	6.84
y 20000	Syntex Inc	6⅝ ¾ '93 Jan	s	101	98¼	6.95
ecu 40	Cerinvest	9 ¾ '93 Feb	s	100	101⅛	8.75
$ 150	British Petrol Capital	9⅝ ¾ '93 Jan	s	100⅛	100⅜	9.57
y 20000	Eurofima	6⅝ ¾ '93 Feb	s	101⅛	100⅜	6.58
$ 300	World Bank	9⅝ ¾ '16 Jan	s	100	97⅝	9.77

STRAIGHT BONDS
All Currencies Except DM

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Avg Life	Yield Curr
	AUSTRALIA						
$ 50	Australia	8⅝	'86 Jun	99¾	9.39		8.77
$ 120	Australia	8½	'88 Oct	100	8.37		8.50
$ 100	Australia	11⅛	'90 Oct	109⅝	8.65		10.26
y 15000	Australia	8½	'91 Aug	107⅝	7.93		8.59
$ 60	Australia	8⅞	'91 Oct	100⅛	8.67	8.63	8.73
y 15000	Australia	8⅝	'92 Oct	107¾	7.59		8.16
$ 200	Australia	11	'95 May	109⅞	9.41		10.01
$ 300	Australia	11½	'95 Oct	112⅝	9.45		10.22
$ 100	Australia	11⅞	'98 Oct	115⅝	9.46		10.06
$ 100	Australia	11¼	'98 May	110⅜	9.81		10.14
$ 25	Alcan Australia	8⅝	'89 Apr	97	9.61		8.76
$ 60	Alcoa Of Australia	10	'89 Jun	100	9.96		10.00
$ 30	Alcoa Of Australia	12½	'91 Apr	101	12.19		12.57
$ 60	Alcoa Of Australia	11	'92 Jul	102⅝	10.24		10.69
ecu 50	Austra New Zealand Bk	9⅜	'92 Apr	102⅝	9.11		9.48
$ 75	Australian Ind Dev Co	11	'89 Feb	105½	8.82		10.43
$ 100	Australian Ind Dev Co	11⅞	'90 Feb	101⅛	11.46		11.73
$ 40	Australian Mini Smelt	9⅜	'92 Jan	98	10.11	10.30	9.64
$ 100	Australian Resources	13½	'87 Apr	102	11.44		13.24
$ 30	Broken Hill Pty	8⅝	'89 Apr	97½	9.38	9.71	8.46
$ 150	Broken Hill Pty	14⅝	'89 May	107¾	11.93		13.77
$ 100	Broken Hill Pty	12	'90 Jan	107⅝	9.46		11.15
$ 30	Broken Hill Pty	10	'90 May	99⅝	10.05	10.06	10.03
$ 150	Broken Hill Pty	10	'92 Dec	101⅛	9.76		9.89
$ 40	Comalco Invest Europe	10⅛	'91 Jul	99½	10.24	10.28	10.30
$ 25	Comalco Limited	10	'87 Apr	99⅝	10.31	10.27	10.03
$ 100	Commonwealth Bk Austr	12⅞	'89 Nov	114⅝	8.84		11.17
I 40	Commonwealth Bk Austr	11	'92 Apr	97½	11.57		11.28
$ 100	Commonwealth Bk Austr	10	'93 Nov	103½	9.33		9.66
$ 75	Csr Limited	16	'89 Jul	116	10.19		13.79
$ 40	Hamersley Holdings	9½	'92 Jan	96⅛	10.22	10.50	9.51
$ 36	K Mart Finance	9	'86 Oct	100	8.86	8.76	9.00
$ 100	Mount Isa Finance	15⅛	'87 Jul	105⅛	9.29		13.82
$ 100	Mount Isa Finance	11	'95 Dec	100⅜	10.55		10.72
$ 50	National Austr Bank	11⅞	'98 Apr	102½	10.46		10.98
ecu 50	Primary Industry Bank	9⅜	'92 Apr	102⅝	9.13		9.40
ecu 40	Primary Industry Bank	11⅛	'93 Jul	108	9.67		10.42
$ 140	Qantas Airways	10⅝	'95 Jul	105⅛	9.41		9.91
$ 100	Queensland	17⅛	'89 Dec	107⅝	9.06		10.61
$ 100	Queensland	10⅞	'95 Aug	104¾	9.52		9.83
$ 50	Rural Industries Bank	12	'91 Feb	104⅝	10.22		11.51
ecu 100	Sec Pacific Australia	8⅝	'98 Jul	98⅝	9.22		8.91
$ 100	State Bk New S Wales	11⅞	'90 Jan	106⅝	9.43		10.67
$ 100	State Bk South Austr	10⅛	'92 Feb	101⅞	9.51		9.93
$ 100	State Elec Com Victor	10	'92 Nov	102½	9.47		9.76
$ 20	Tnt Overseas Finance	9	'87 Aug	99	9.66	10.07	9.09
$ 150	Treasury New S Wales	11⅞	'90 May	109	9.07		10.78
I 50	Treasury New S Wales	10⅛	'92 Dec	95⅛	11.08		11.17
ecu 75	Victoria Public Autho	8⅞	'90 Dec	99⅝	8.90		8.92
$ 150	Victoria Public Autho	11⅛	'92 Apr	109½	9.51		10.62
$ 50	Western Mining Corp	9	'92 Oct	93½	10.37	10.52	9.63
$ 100	Westpac Banking Co	12⅞	'92 Jan	101⅛	12.50		12.68
ecu 50	Westpac Banking Co	9⅝	'92 Nov	101⅞	9.33		9.47
$ 100	Westpac Intl Finance	11	'90 May	105⅞	9.93		10.43
	AUSTRIA						
$ 150	Austria	15⅛	'88 Mar	112½	8.72		13.78
$ 50	Austria	8⅝	'90 Aug	98	9.28	9.32	8.93
$ 100	Austria	13⅝	'92 Jul	119	9.59		11.45
ecu 100	Austria	10⅝	'93 Jan	107⅛	9.16		9.91
$ 200	Austria	11⅛	'95 Jan	110⅛	9.46		10.15
y 30000	Austria	7	'95 Apr	102⅛	6.57		6.80
cn$ 63	Austrian Control Bank	16⅝	'89 Jun	109⅝	11.35		14.84
$ 100	Austrian Control Bank	18⅝	'90 Jan	106⅝	8.89		10.11
$ 175	Austrian Control Bank	10	'91 Apr	104⅝	8.90		9.58
I 30	Austrian Control Bank	12⅛	'91 Jun	102⅛	11.63		11.98
$ 52	Austrian Control Bank	15⅝	'92 Apr	124⅛	9.87		12.27
$ 50	Austrian Control Bank	12	'94 Dec	113⅝	9.63		10.56
$ 30	Creditanstalt-Bankver	10⅛	'88 Jun	100	8.72		10.34
$ 100	Creditanstalt-Bankver X/w	14	'88 Jul	109	9.68		12.84
$ 100	Creditanstalt-Bankver	11⅛	'90 Jul	107	9.57		10.64
$ 75	Creditanstalt-Bankver	15⅝	'91 Jan	113⅝	11.62		13.46
$ 100	Creditanstalt-Bankver	12⅛	'91 May	111⅝	9.48		11.46
ecu 67	Creditanstalt-Bankver	8⅝	'94 Dec	100⅛	8.84		8.86
$ 45	Donaukraftwerke Ag	11⅝	'93 Feb	106⅝	9.63		10.83
$ 50	Genossen Zentralbank	11⅛	'90 Apr	104⅛	10.14		11.02
$ 100	Genossen Zentralbank	14	'91 Jan	115⅝	10.01		12.08
$ 50	Giroz Bank Sparkassen	15⅝	'89 Sep	115⅝	9.76		13.17
$ 50	Giroz Bank Sparkassen	12⅝	'91 May	112⅝	9.84		11.49
cn$ 75	Giroz Bank Sparkassen	14	'91 Jul	110	11.58		12.73
ecu 60	Giroz Bank Sparkassen	10⅝	'93 Dec	106⅛	9.34	9.18	9.84
$ 50	Postsparkasse	12⅝	'87 Apr	102⅝	9.52		12.32
$ 30	Tauernautobahn Ag	8⅞	'87 Mar	99⅝	8.95	9.18	8.71
$ 30	Trans Austria Gasline	7⅝	'88 Jan	98	8.61	8.92	7.65
$ 47	Vienna City	12⅝	'92 Oct	112	9.72		11.84
cn$ 81	Vienna City	13⅝	'94 Jul	111⅛	11.19		11.91
$ 50	Zentralsparkasse-Kommerz	11⅝	'90 Feb	107⅝	9.59		10.78
cn$ 50	Zentralsparkasse-Kommerz	11⅝	'95 Feb	104⅝	10.99		11.32
	BELGIUM						
ecu 40	Carinvest	9	'93 Feb	101⅛	8.75		8.88
$ 100	Genfinance	11⅛	'90 Jan	104	9.96		10.82
cn$ 75	Kredietbank Itma	12	'93 Jan	102⅝	11.34		11.68
fl 125	Solvay	9⅝	'87 Apr	99⅞	10.14		9.88
	CANADA						
$ 750	Canada	14⅝	'87 Jun	107⅛	8.23		13.27
$ 500	Canada	13⅛	'88 Oct	106	8.29		12.26
$ 500	Canada	11⅛	'90 Mar	109	8.79		10.55
$ 500	Canada	10	'95 Nov	104½	9.27		9.57
$ 50	Abitibi-Price	15⅛	'91 Dec	115⅛	11.90		13.64
I 40	Air Canada	11⅛	'14 May	98	11.62		11.48
$ 50	Aluminum Co Canada	9⅝	'88 Apr	100⅝	9.28	9.16	9.45
$ 100	Aluminum Co Canada	11⅛	'95 Jan	101	11.05		11.14
$ 80	Amca Intl	11⅛	'98 Jun	104	10.86		11.06
cn$ 50	Avco Financial Canada	13	'89 Nov	104⅛	11.37		12.43
cn$ 50	Bank Of Brit Columbia	16⅛	'89 May	96	17.75		16.88
$ 100	Bank Of Montreal	14⅛	'86 May	101⅛	7.62		14.86
$ 75	Bank Of Montreal	14⅛	'89 May	109⅛	10.87		12.62
cn$ 75	Bank Of Montreal	16⅛	'89 Nov	106⅛	11.72		15.28
$ 150	Bank Of Montreal	16⅛	'91 Dec	113	12.98		14.38
$ 25	Bank Of Nova Scotia	15⅜	'86 Jul	102⅝	7.82		15.12
$ 100	Bank Of Nova Scotia	15⅛	'87 Jul	106	8.91		12.85
$ 60	Bell Canada	8⅝	'86 Jul	100⅛	7.96		8.73
cn$ 60	Bell Canada	10⅛	'86 Oct	100⅛	10.55		10.75
$ 100	Bell Canada	7⅝	'87 May	99⅛	8.81		7.85
cn$ 100	Bell Canada	16	'89 Jun	106	13.56		15.09
cn$ 125	Bell Canada	13⅝	'97 Mar	108	11.17		11.49
$ 200	Brit Columbia Hydro	10⅛	'88 Mar	102⅛	8.49		9.93
$ 150	Brit Columbia Hydro	13⅛	'88 Jul	110⅛	8.44		12.10
$ 150	Brit Columbia Hydro	16⅛	'88 Oct	105⅝	13.45		15.35
$ 200	Brit Columbia Hydro	14⅛	'89 May	115⅛	9.84		12.78
$ 150	Brit Columbia Hydro	15⅛	'92 Jul	126⅛	9.52		12.84
$ 200	Brit Columbia Hydro	11	'93 Oct	112⅛	9.38		10.44
cn$ 24	Brit Columbia Municip	18⅛	'99 May	98	10.52		10.46
cn$ 125	Brit Columbia Provinc	12	'90 Apr	104	10.74		11.54
cn$ 100	Brit Columbia Provinc	13½	'91 Jul	110⅛	10.86		12.24
cn$ 100	Brit Columbia Provinc	12⅛	'91 Nov	105⅛	10.73		11.53
cn$ 100	Brit Columbia Provinc	12	'92 Dec	106⅛	10.67		11.34
cn$ 50	Brit Columbia Telepho	17⅛	'88 Sep	110	13.25		15.97
cn$ 70	Brit Columbia Telepho	12⅝	'92 Feb	103⅛	10.78		11.86
$ 175	Canadair	12⅝	'89 Nov	111⅛	8.76		11.21
$ 75	Canadian Imperial Bk	15⅛	'86 Jul	102⅛	7.73		14.84
$ 100	Canadian Imperial Bk	16	'87 Mar	107⅛	8.57		14.88
cn$ 50	Canadian Imperial Bk	16⅛	'87 Jan	105⅛	11.61		15.64
cn$ 80	Canadian Imperial Bk	17⅛	'89 May	104⅛	11.04		12.22
$ 75	Canadian Imperial Bk	11	'90 May	102⅛	10.14		10.71
$ 100	Canadian Imperial Bk	14⅛	'91 Oct	118	12.14		14.19
$ 85	Canadian Natl Railway	8⅝	'86 Nov	99⅝	8.47		8.80
cn$ 60	Canadian Natl Railway	8⅝	'87 Mar	97½	11.45		9.18
$ 100	Canadian Natl Railway	14⅝	'91 Dec	114	11.28		12.83
cn$ 100	Canadian Natl Railway	11⅝	'93 Jun	103⅛	10.56		10.85
cn$ 100	Canadian Natl Railway	12⅛	'95 Apr	104⅛	11.26		11.71
cn$ 60	Canadian Occid Petrol	13⅛	'89 Mar	104⅛	11.74		11.88
cn$ 40	Canadian Pacific	17⅛	'87 Nov	104⅛	14.56		16.97
$ 50	Canadian Pacific	16⅛	'89 Apr	106	12.86		15.45
$ 50	Canadian Pacific	9⅝	'89 May	100⅛	9.53	9.54	9.70
cn$ 75	Canadian Pacific	11⅛	'90 May	102⅛	11.02		11.57
$ 50	Canadian Pacific	12⅝	'90 Oct	111	9.46		11.26
$ 75	Canadian Pacific	14⅛	'92 Jan	112	11.79		12.86
$ 100	Canadian Pacific	10⅛	'93 Jun	105	9.74		10.24
cn$ 25	Canadian Utilities	17	'87 Aug	107	11.57		15.89
cn$ 50	Canadian Utilities	17	'96 Dec	118	13.70	12.02	14.41
$ 50	Canadian Wheat Board	11⅛	'90 Dec	104⅛	10.01		10.77
cn$ 50	Chrysler Credit Can	14	'91 Oct	109⅛	11.60		12.79
cn$ 60	Chrysler Credit Can	12⅝	'92 May	104⅛	11.62		12.12
$ 40	Consolidated-Bathurst	17⅛	'88 Nov	115⅛	10.69	9.51	15.15
cn$ 30	Credit Fonc Franc-Can	17⅛	'89 Apr	113⅛	11.80		15.09
$ 50	Dome Petroleum	13⅛	'92 May	107⅛	12.80		13.14
$ 50	Dome Petroleum	16	'94 Jul	92	11.50	11.87	10.87
$ 50	Dominion Bridge	9	'86 Jun	100⅛	8.74		9.00
cn$ 50	Edmonton City	13⅛	'89 Aug	107⅛	11.83		12.79
$ 100	Export Develop Corp	12⅝	'87 Oct	107	8.46		12.38
$ 100	Export Develop Corp	11⅛	'87 Nov	105⅛	8.33		11.34
$ 100	Export Develop Corp	10⅝	'88 Jan	104	8.42		10.34
$ 125	Export Develop Corp	10	'88 Mar	103	8.37		9.71
$ 150	Export Develop Corp	11⅛	'89 Feb	106⅛	8.57		10.45
$ 100	Export Develop Corp	12	'89 Nov	109⅛	8.88		10.85
cn$ 100	Export Develop Corp	11⅛	'89 Dec	102⅛	10.41		11.34
$ 100	Export Develop Corp	10	'98 Jul	104⅛	8.77		9.59
cn$ 75	Farm Credit Corp	12⅛	'88 Sep	105⅛	10.55		11.57
cn$ 75	Farm Credit Corp	12⅛	'93 Mar	105⅛	10.22		11.15
$ 75	Farm Credit Corp	11⅛	'93 Oct	112⅛	9.23		10.31
cn$ 100	Feder Business Dev Bk	17⅛	'86 Oct	104⅛	10.81		16.99
cn$ 50	Feder Business Dev Bk	12⅛	'87 Sep	102⅛	10.58		12.18
$ 50	Feder Business Dev Bk	8⅝	'90 Feb	97	9.35		9.02
ecu 45	Ford Credit Canada	8⅝	'93 Oct	98⅛	9.19		9.83
cn$ 75	Ford Motor Credit Can	8⅝	'87 May	95	11.77		9.07
cn$ 50	Gaz Metropolitain	17⅛	'90 Oct	119	11.78		14.50
cn$ 40	Gaz Metropolitain	14⅛	'92 Dec	111⅛	11.92		13.00
cn$ 40	Gaz Metropolitain	13⅛	'94 Oct	110⅛	11.51		12.22
cn$ 50	General Motors Accept	15⅛	'86 Jun	101⅛	11.31		15.64
cn$ 30	General Motors Accept	9⅝	'88 Oct	96	10.37	10.51	9.90
cn$ 50	General Motors Accept	16⅛	'89 Feb	105⅛	13.96		15.58
$ 75	Genstar	10	'88 Nov	101⅛	9.75		9.95
$ 75	Genstar	17⅛	'89 Oct	105⅛	14.90		16.29
cn$ 75	Genstar Financial Co	11⅛	'95 Jun	101⅛	11.71		11.55
$ 100	Gulf Canada	14⅛	'92 Apr	116⅛	10.96		12.60
$ 25	Hiram Walker Holdings	14⅛	'86 Apr	100⅛	11.52		14.28
I 25	Hiram Walker Holdings	16	'86 Jun	102	8.94		15.69
$ 75	Hiram Walker Holdings	16	'88 Mar	116	9.71		13.79
$ 25	Home Oil	9⅛	'86 Jul	100⅛	8.48	8.59	9.48
cn$ 60	Hudsons Bay	18	'87 Nov	103⅛	15.28		17.39
cn$ 60	Hudsons Bay	10⅛	'89 Jan	97	11.64	12.09	10.83
cn$ 40	Hudsons Bay	17	'89 May	103	15.44		16.50
cn$ 50	Hudsons Bay	14⅛	'89 Jul	105⅛	12.22		13.54
$ 75	Hudsons Bay	11⅛	'90 Jun	99⅛	11.61		11.56
$ 50	Hudsons Bay	10	'94 Feb	96⅛	10.67	10.95	10.36
$ 50	Imasco	15⅛	'89 Jan	107	12.49		14.49
$ 100	Inco	9	'92 Dec	93	10.47		9.68
cn$ 50	Interprovin Pipe Line	12⅛	'93 May	103⅛	11.13		11.64
cn$ 25	Intl Harvester Credit	9⅝	'86 Apr	99⅛	12.02	12.08	9.80
$ 25	Ise Canadian Finance	9⅝	'86 May	100⅛	8.63		9.49
cn$ 25	Ise Canadian Finance	10	'86 Aug	99⅛	10.82	10.84	10.06
cn$ 50	Laval City	14⅛	'91 Sep	110⅛	11.69		13.02
cn$ 35	Loblaw	13⅛	'90 Dec	108⅛	11.57		12.11
$ 30	Macmillan Bloedel	9	'92 Feb	93	10.64	10.75	9.68
$ 50	Macmillan Bloedel	9⅛	'92 Aug	94	10.48	10.64	9.84
$ 75	Manitoba Province	9⅛	'89 Mar	100⅛	9.39		9.48
$ 100	Manitoba Province	13⅛	'89 Sep	112⅛	9.11		12.07
$ 125	Manitoba Province	11⅛	'89 Nov	109	8.82		10.78
$ 100	Manitoba Province	10⅛	'90 Jun	105⅛	8.89		9.95
$ 125	Manitoba Province	8⅝	'91 Feb	98⅛	9.20		8.91
$ 100	Manitoba Province	12⅛	'94 Oct	115⅛	9.75		10.82
cn$ 30	Maritime Tel & Tel	13⅛	'94 Oct	112⅛	10.88		11.75
$ 75	Massey-Ferguson Ned	9⅝	'91 Jun	90⅛	12.56		10.73
$ 57	Montreal City	18⅛	'87 Jul	108⅛	9.58		10.17
cn$ 40	Montreal City	10	'89 Jun	96⅛	14.52		14.15
cn$ 50	Montreal City	12	'90 Dec	103⅛	10.94		11.57
$ 70	Montreal City	13⅛	'91 Mar	110⅛	9.84		11.34
cn$ 50	Montreal City	12⅛	'91 May	105	10.92		11.56
cn$ 60	Montreal City	12⅛	'91 Nov	106	10.79		11.43
$ 100	Montreal City	15⅛	'92 Mar	117⅛	11.59		13.11
cn$ 50	Montreal City	11	'96 Jan	100⅛	10.91		10.95
cn$ 75	Montreal Urban Commun	12	'89 Nov	107⅛	9.88		11.14
cn$ 35	Natcan Realty Corp	12⅛	'90 Feb	104⅛	11.68		12.39
cn$ 50	National Bank Canada	14⅛	'88 Feb	107⅛	11.27		13.28
$ 50	New Brunswick Electri	17	'88 Oct	118	9.81		14.41
$ 75	New Brunswick Electri	16⅛	'89 Mar	117	9.59		13.89
$ 75	New Brunswick Electri	9⅛	'94 Mar	98⅛	10.02	10.13	9.90
$ 75	New Brunswick Provinc	15⅛	'87 Aug	107⅛	9.48		14.19
cn$ 75	New Brunswick Provinc	13	'95 Jan	106	10.97		11.32
cn$ 75	New Brunswick Provinc	11⅛	'95 Jun	104⅛	10.85		11.15
y 10000	New Brunswick Provinc	7⅛	'95 Jul	103⅛	6.55		6.86
$ 75	Newfoundland Lab Hydr	17⅛	'89 Nov	115	12.02		15.00
$ 35	Newfoundland Municipa	9⅛	'88 Sep	100	9.37		9.25
$ 50	Newfoundland Province	9	'89 Feb	98⅛	9.59		9.14
$ 50	Newfoundland Province	17⅛	'89 Oct	114	12.28		15.13
$ 50	Newfoundland Province	13⅛	'90 Feb	105	11.85	11.26	12.86
$ 60	Newfoundland Province	9⅛	'90 Jan	98	9.81		9.44
$ 50	Newfoundland Province	15⅛	'90 Aug	119⅛	9.51		12.97
$ 75	Newfoundland Province	13	'91 Apr	113	9.68		11.50
$ 50	Newfoundland Province	10	'94 Mar	98	10.37		10.20
cn$ 60	Norcen Energy Res	12⅛	'90 Aug	105⅛	11.52		12.06
$ 100	Nova An Alberta Corp	16⅛	'89 Jan	109⅛	12.49		15.29
$ 50	Nova Scotia Power	9⅛	'89 Mar	100⅛	9.53	9.59	9.70
cn$ 18	Nova Scotia Power	9⅛	'94 Jul	97⅛	9.93		9.24
$ 75	Nova Scotia Province	15⅛	'89 Mar	116⅛	9.37		13.52
$ 75	Nova Scotia Province	15⅛	'89 Aug	114⅛	9.42		13.09
$ 50	Nova Scotia Province	10⅛	'90 Jul	102⅛	9.99	9.96	10.49
$ 100	Nova Scotia Province	11⅛	'91 Feb	105⅛	10.35		11.34
$ 75	Nova Scotia Province	15	'91 Jun	109⅛	12.43		13.70
cn$ 100	Nova Scotia Province	11⅛	'95 Feb	103⅛	10.97		11.23
$ 100	Nova Scotia Province	11⅛	'98 Feb	110	10.26		10.68
$ 125	Olympia & York Credit	10⅛	'90 Jan	103⅛	9.09		9.78
$ 100	Ontario Hydro	8⅛	'86 Sep	100	8.36		8.50
$ 125	Ontario Hydro	8	'87 Apr	99	8.87		8.08
$ 150	Ontario Hydro	14⅛	'89 Apr	115⅛	8.97		12.77
$ 200	Ontario Hydro	11⅛	'89 Dec	107⅛	8.88		10.47
$ 250	Ontario Hydro	10⅛	'89 Jun	105	8.78		9.76
$ 300	Ontario Hydro	11⅛	'90 Sep	110⅛	8.87		10.63
$ 100	Ontario Hydro	13⅛	'91 Feb	117⅛	9.03		11.49
$ 150	Ontario Hydro Aug	14	'91 Aug	116⅛	11.83		12.78
$ 200	Ontario Hydro Nov	14	'91 Nov	116	11.97		12.77
$ 150	Ontario Hydro	15	'92 Aug	125⅛	9.52		11.95
$ 200	Ontario Hydro	12⅛	'92 Oct	116	9.40		10.99
$ 200	Ontario Hydro	11⅛	'94 Feb	113	9.36		10.39
$ 25	Ottawa-Carleton	9⅛	'90 Mar	99	9.79	9.96	9.60
cn$ 30	Ottawa-Carleton	12⅛	'94 Dec	108	11.82		11.57
$ 40	Ottawa-Carleton	14⅛	'97 Jun	113	12.57	11.53	13.05
cn$ 65	Panarctic Petroleum	14⅛	'88 Dec	104⅛	14.41		15.79
cn$ 50	Panarctic Petroleum	12⅛	'93 Apr	105⅛	11.48		11.89
$ 50	Polysar	9⅛	'86 Dec	100	9.44		9.50
cn$ 25	Quebec City	16⅛	'87 Feb	105	11.86		15.71
$ 100	Quebec Hydro	16⅛	'88 Feb	112⅛	9.20		14.44
cn$ 50	Quebec Hydro Mar	16⅛	'89 Mar	101⅛	15.80		16.26
cn$ 50	Quebec Hydro May	16⅛	'89 May	102	15.55		16.18
$ 75	Quebec Hydro	14	'91 Jul	108⅛	11.74		12.98
$ 150	Quebec Hydro	17⅛	'91 Oct	129	10.34		13.37
cn$ 60	Quebec Hydro	14	'92 Nov	108⅛	12.46		12.90
$ 100	Quebec Hydro	11⅛	'92 Dec	108⅛	9.72		10.80
cn$ 50	Quebec Hydro	12⅛	'93 Sep	107⅛	11.26		11.89
$ 125	Quebec Hydro-Electric	8⅛	'86 Nov	100	8.43		8.50
$ 30	Quebec Hydro-Electric	8⅛	'89 Feb	98	9.38	9.35	8.67
$ 100	Quebec Hydro-Electric	13	'91 Feb	104⅛	11.69		12.41
$ 100	Quebec Hydro-Electric	11⅛	'92 Jun	102	11.01		11.27
$ 125	Quebec Hydro-Electric	9	'92 Aug	95⅛	9.95		9.42
$ 30	Quebec Hydro-Electric	9⅛	'93 Jul	98	9.47		9.48
cn$ 100	Quebec Hydro-Electric	12⅛	'95 May	106	11.16		11.56
$ 50	Quebec Hydro-Electric	10	'99 May	99⅛	10.06		10.05
$ 75	Quebec Hydro-Electric	12⅛	'20 Apr	99⅛	12.48		12.39
cn$ 50	Quebec Province	10⅛	'86 Apr	100⅛	8.97		10.20
I 35	Quebec Province	15⅛	'87 Apr	102⅛	12.55		15.07
cn$ 50	Quebec Province	18	'87 Oct	105	14.29		17.14
cn$ 50	Quebec Province	17⅛	'87 Nov	105	14.08		16.87
cn$ 50	Quebec Province	7	'88 Jun	94	8.45	8.58	7.45
cn$ 50	Quebec Province	17	'88 Mar	101⅛	16.05		16.73
cn$ 50	Quebec Province	16⅛	'88 Sep	103⅛	14.82		16.14
cn$ 50	Quebec Province	16⅛	'89 Apr	103⅛	14.17		16.04
I 50	Quebec Province	14⅛	'89 Aug	107⅛	12.28		13.49
$ 150	Quebec Province	15⅛	'89 Dec	114	10.61		13.38
$ 150	Quebec Province	13⅛	'90 Nov	113⅛	9.32		11.46
$ 75	Quebec Province	14⅛	'93 Jul	123	10.15		11.59
$ 100	Quebec Province	12	'93 Jul	104⅛	11.36		11.51
cn$ 50	Quebec Province	12⅛	'94 Feb	104⅛	10.25	10.22	11.34
cn$ 150	Quebec Province	12⅛	'95 Jan	105⅛	10.85		11.15
$ 50	Quebec Province	9	'95 Nov	95	9.81	9.88	9.47
cn$ 60	Quebec Province	9	'98 Nov	85	10.72		10.59
cn$ 15	Quebec Urban Communit	16⅛	'88 Jun	108⅛	12.43		14.60
$ 25	Redpath Industries	9	'88 Sep	98⅛	9.79		9.17
cn$ 50	Royal Bank Of Canada	17	'86 Apr	101⅛	11.64		17.79
cn$ 40	Royal Bank Of Canada	18	'86 May	99⅛	12.45		16.88
cn$ 40	Royal Bank Of Canada	9⅛	'88 Apr	95	10.55	10.78	9.69
$ 100	Royal Bank Of Canada	11⅛	'89 Feb	106	9.34		10.85
ecu 85	Royal Bank Of Canada	10⅛	'89 Mar	103⅛	9.15		10.14
$ 100	Royal Bank Of Canada	11⅛	'89 Mar	105⅛	9.26		10.52
I 40	Royal Bank Of Canada	10⅛	'91 Dec	96⅛	11.18		11.20
cn$ 40	Royal Bank Of Canada	9	'92 Feb	95	10.15	10.30	9.47
cn$ 40	Royal Bank Of Canada	18	'94 May	94	10.73	10.84	10.42
$ 50	Royal Trustco	12⅛	'89 Jul	108⅛	12.09		12.22
$ 50	Royal Trustco	17⅛	'90 Mar	98⅛	11.75		11.52
cn$ 40	Royfund	17⅛	'86 Dec	104⅛	11.33		14.51
$ 75	Saskatchewan Province	8⅛	'86 Sep	100⅛	8.13		8.73
$ 100	Saskatchewan Province	16⅛	'88 Nov	112	10.95		14.51
$ 125	Saskatchewan Province	16	'89 Mar	118⅛	8.91		13.50
$ 100	Saskatchewan Province	11⅛	'89 Nov	109⅛	8.79		10.84
$ 125	Saskatchewan Province	18⅛	'90 Mar	101⅛	8.86		10.12
$ 100	Saskatchewan Province	18⅛	'92 Mar	107	9.19		10.85
$ 150	Saskatchewan Province	15	'92 Aug	125⅛	9.58		11.98
$ 100	Seagram Co	12⅛	'89 Oct	103⅛	11.47		12.32
cn$ 50	Sears Acceptance	14	'91 Aug	110	11.41		12.73
$ 100	Shell Canada	15⅛	'91 Sep	115	11.88		13.78
$ 125	Shell Canada	14⅛	'92 May	113⅛	11.18		12.64
cn$ 75	Shell Canada	11⅛	'92 Jul	102⅛	10.64		10.96
$ 40	Simpsons-Sears Accept	17⅛	'88 Nov	116⅛	10.22		15.02
cn$ 40	Simpsons-Sears Accept	16⅛	'89 Apr	112	11.99		14.96
$ 75	Suncor Inc	12⅛	'91 Nov	108⅛	10.56		11.64
cn$ 25	Tenneco Canada	18	'86 Jun	99	12.59	12.68	10.10
$ 25	Tordom	15⅛	'86 Jun	103	6.59		15.05
$ 100	Toronto-Dominion Bank	13⅛	'88 Apr	105⅛	9.53		11.85
$ 50	Toronto-Dominion Bank	12⅛	'89 Apr	107⅛	9.76		11.74
cn$ 50	Toronto-Dominion Bank	12⅛	'89 Nov	101	12.00		12.25
cn$ 50	Toronto-Municipality	13	'94 Oct	111⅛	10.87		11.66
cn$ 50	Transalta Utilities	17	'89 Feb	112⅛	11.84		15.11
cn$ 100	Transalta Utilities	13⅛	'94 Dec	110⅛	11.31		12.00
$ 75	Transcanada Pipelines	17⅛	'88 Oct	105⅛	14.84		16.70
$ 100	Transcanada Pipelines	14	'89 Dec	105	14.16		15.24
$ 100	Transcanada Pipelines	13	'92 Mar	111	13.24		14.41
cn$ 50	Trizec Corp	13	'89 Oct	105	11.22		12.38
cn$ 30	Union Carbide Canada	9⅛	'86 May	99⅛	11.55	11.63	9.80
cn$ 50	Union Carbide Canada	14	'89 Jan	107⅛	12.77		14.88
cn$ 30	Vancouver	13	'94 Apr	109⅛	11.15		11.87
$ 50	Winnipeg City	17	'86 Oct	105⅛	8.38		16.11
$ 40	Winnipeg City	8⅛	'87 May	99⅛	9.05		8.33
$ 50	Winnipeg City	15⅛	'88 Jun	103⅛	13.69		15.18
cn$ 50	Winnipeg City	10⅛	'90 Jul	100⅛	10.37		10.55
cn$ 50	Winnipeg City	12⅛	'91 Sep	107⅛	10.87		11.86
cn$ 40	Xerox Canada	12	'88 Sep	102⅛	10.77		11.71
	DENMARK						
fl 100	Denmark	7⅛	'87 Sep	95⅛	10.69	12.21	7.85
$ 100	Denmark X/w	13⅛	'88 Aug	118⅛	8.98		12.50
I 75	Denmark	10⅛	'89 Apr	99	11.11		10.86
$ 100	Denmark	11⅛	'89 May	106	9.81		10.61
cn$ 100	Denmark	13	'89 Oct	105⅛	11.13		12.35
$ 30	Denmark	7⅛	'90 Jan	95	9.86	9.54	7.89
$ 100	Denmark	10⅛	'90 Jan	103⅛	9.86		10.53
$ 100	Denmark	11⅛	'90 Apr	107⅛	9.59		11.65
$ 100	Denmark	11⅛	'90 May	108	9.13		10.65
$ 100	Denmark	11⅛	'90 Jun	102	11.10		11.52
ecu 75	Denmark	10⅛	'91 Mar	105⅛	9.39		10.21
$ 100	Denmark	12	'91 Apr	110⅛	9.31		10.86
$ 75	Denmark	13	'91 May	114⅛	9.37		11.35
$ 100	Denmark	14	'91 Jul	114⅛	11.21		12.64
$ 100	Denmark	13	'91 Sep	115	9.65		11.52
y 20000	Denmark	6⅛	'92 Jan	100⅛	6.64		6.73
$ 100	Denmark	13	'92 Jan	108	10.75		12.07
$ 50	Denmark	12⅛	'92 Feb	101	12.69		12.63
nkr 250	Denmark	9⅛	'92 Apr	99	9.72		9.68
$ 100	Denmark	11⅛	'92 Apr	107⅛	9.49		10.55
y 15000	Denmark	8⅛	'92 May	103	7.62		8.01
$ 100	Denmark	13⅛	'93 Dec	107	10.59		11.34
I 75	Denmark	13⅛	'94 Sep	101⅛	11.63		11.74
ecu 40	Copenhagen City	9	'95 Dec	99	9.15		9.09
$ 50	Copenhagen Telephone	6⅛	'88 Apr	99⅛	9.86	9.98	6.78
$ 25	Mortgage Bank Denmark	7⅛	'91 Jan	94	9.59	9.80	7.98
y 10000	Mortgage Bank Denmark	7	'92 May	101⅛	6.49		6.90
$ 50	Mortgage Bank Denmark	13	'93 Jan	113	10.28		11.50
ecu 40	Privatbanken	11⅛	'91 Oct	108⅛	9.21		10.37
ecu 75	Privatbanken	9⅛	'92 Mar	102⅛	9.43		9.74
	FINLAND						
$ 75	Finland	15⅛	'87 Apr	107	8.55		14.25
$ 100	Finland	11⅛	'88 Jan	105	8.61		10.95
I 50	Finland	11⅛	'88 Sep	100⅛	11.69		11.65
nkr 200	Finland	11⅛	'89 Jan	101⅛	10.13		11.32
y 15000	Finland	8⅛	'89 Nov	101⅛	7.88		8.25
y 15000	Finland	6⅛	'90 Apr	101⅛	6.32		6.45
$ 50	Finland	8⅛	'91 Jul	98	9.01		8.67
$ 50	Finland	9⅛	'92 Oct	98⅛	9.41	9.81	9.08
$ 75	Finland	12⅛	'94 Nov	114⅛	9.74		10.72
$ 50	Enso-Gutzeit	11⅛	'88 Mar	105	9.84		10.95
ecu 30	Enso-Gutzeit	9	'91 Oct	99⅛	9.18		9.05
ecu 30	Enso-Gutzeit	9⅛	'93 Oct	99⅛	9.20		9.17
$ 30	Finnish Export Credit	14⅛	'86 Dec	105⅛	7.50		13.98
$ 25	Finnish Export Credit	12⅛	'89 Sep	108⅛	8.51		11.97
$ 100	Finnish Export Cr X/w	13⅛	'91 May	111	9.36		11.49
$ 20	Ind Mtge Bank Finland	8	'87 Dec	97⅛	9.46	10.82	8.23
ecu 60	Industrial Bk Finland	9	'95 Oct	98	9.31	9.34	9.18
$ 50	Kansallis-Osake-Pankk	9⅛	'92 Sep	100	9.25		9.25
I 15	Mortgage Bank Finland	11⅛	'89 Nov	98⅛	12.14	12.26	11.50
	FRANCE						
$ 250	Banque Franc Com Ext	14	'86 Nov	105⅛	7.94		13.13
I 30	Banque Franc Com Ext	14⅛	'87 Jan	101⅛	12.76		14.20
$ 30	Banque Franc Com Ext	11⅛	'88 May	103⅛	11.38		11.47
$ 25	Banque Franc Com Ext	9	'89 Mar	99⅛	9.18	9.28	9.05
ecu 100	Banque Franc Com Ext	9⅛	'92 Jan	104⅛	8.75		9.23
ecu 100	Banque Franc Com Ext	9⅛	'93 Oct	100⅛	9.10		9.23
$ 50	Banque Indosuez	15	'89 May	117⅛	9.25		12.99
$ 40	Banque Indosuez	13⅛	'89 Apr	117	9.33		13.03
cn$ 75	Banque Indosuez	14	'91 Aug	111⅛	11.14		12.60
$ 100	Banque Indosuez	11⅛	'92 Sep	103⅛	10.20		10.92
$ 100	Banque National Paris	9⅛	'90 Dec	100⅛	9.58		9.54
$ 50	Banque National Paris	13⅛	'91 Jan	101	13.20		13.37
I 15	Banque National Paris	12	'93 Jun	105	10.94		11.43
cn$ 60	Banque National Paris	12⅛	'93 Jun	103⅛	11.66		12.08
ecu 75	Banque National Paris	8⅛	'93 Aug	99⅛	9.86		8.80
$ 50	Caisse Centr Coop Eco	15⅛	'92 Jan	120⅛	9.66		12.25
$ 75	Caisse Centr Coop Eco	12⅛	'95 Sep	114	10.24	9.81	11.07
$ 100	Caisse Franc Matieres	12.25	'96 Nov	104⅛	11.58		11.82
$ 25	Caisse Nat Autoroutes	9	'86 May	100	8.70		9.00
$ 50	Caisse Nat Autoroutes	9⅛	'91 Sep	98⅛	9.58	9.82	9.39
$ 85	Caisse Nat Autoroutes	12⅛	'95 May	106⅛	11.55		11.97
$ 50	Caisse Nat Autoroutes	15⅛	'96 Jan	115	12.85		13.26
$ 75	Caisse Nat Autoroutes	15⅛	'97 Mar	119	12.59	11.55	13.24
$ 125	Caisse Nat Cred Agric	11⅛	'89 Jan	107⅛	8.71		10.47
$ 125	Caisse Nat Cred Agric	10	'90 Oct	102⅛	8.86		9.64
$ 150	Caisse Nat Cred Agric	13⅛	'91 May	116	9.33		11.42
$ 125	Caisse Nat Cred Agric	11⅛	'92 Apr	107⅛	9.38		10.58
cn$ 50	Caisse Nat Energie	13	'90 Feb	108⅛	11.84		11.98
$ 50	Caisse Nat Energie	11⅛	'95 Feb	112⅛	9.57		10.42
$ 100	Caisse Nat Telecomm	9⅛	'86 Jan	100⅛	8.51		9.48
I 20	Caisse Nat Telecomm	12⅛	'89 Oct	101⅛	11.92		12.32
$ 100	Caisse Nat Telecomm	13⅛	'91 Jun	116⅛	9.15		11.58
ecu 75	Caisse Nat Telecomm	9⅛	'92 Apr	104⅛	8.71		9.31
ecu 50	Caisse Nat Telecomm	9	'93 May	97⅛	9.47		9.23
ecu 75	Caisse Nat Telecomm	9⅛	'95 Apr	104	9.20		9.50
cn$ 40	Charbonnages France	11⅛	'95 Jun	101⅛	11.51		11.64
$ 100	Cie Fin De Paribas	13⅛	'89 Sep	108⅛	10.85		12.79
$ 25	Cie Nat Du Rhone	8⅛	'86 Oct	99⅛	9.77		8.82
fl 100	Ciments Lafarge	7⅛	'87 Jul	95⅛	11.36	12.29	7.87
ecu 50	Club Mediterranee	9	'90 Oct	101⅛	8.32		8.87
ecu 70	Comp Machines Bull	9⅛	'92 Nov	98⅛	9.47		9.29
ecu 85	Credit Commerc France	9⅛	'95 Sep	100⅛	9.16		9.20
cn$ 50	Credit Foncier Petit M	12⅛	'90 Feb	102⅛	11.40		12.17
$ 200	Credit Foncier Fr X/w	10⅛	'91 May	101⅛	8.95		10.89
$ 200	Credit Foncier France	12⅛	'92 Jul	114⅛	9.30		10.92
ecu 100	Credit Foncier France	11⅛	'92 Feb	106⅛	10.28		10.93
ecu 70	Credit Foncier France	11⅛	'94 Aug	106⅛	10.07		10.45
I 40	Credit Lyonnais	10⅛	'94 Jan	95⅛	11.59		11.25
$ 100	Credit National	8⅛	'86 Dec	99⅛	9.87	9.88	8.54
$ 100	Credit National	9⅛	'93 Feb	99⅛	9.27		9.19
ecu 100	Credit National	10⅛	'94 Dec	106⅛	9.26		9.74
$ 100	Electricite France	9⅛	'86 Apr	100	9.26		9.63
$ 50	Electricite France	8⅛	'87 Jan	99⅛	9.86		8.56
$ 125	Electricite France	10	'88 Jul	100⅛	9.70		9.95
$ 100	Electricite Franc X/w	14⅛	'89 Apr	114⅛	9.92		12.55
$ 100	Electricite France	11⅛	'93 May	110	9.36		10.11
y 20000	Electricite France	6⅛	'95 Jan	102	6.42		6.47
$ 100	Electricite France	10	'95 Jul	103	9.49		9.71
$ 125	Electricite France	10⅛	'95 Dec	104	9.72		9.98
ecu 150	Electricite France	9	'97 Aug	101⅛	8.77		8.87
$ 150	Elf Aquitaine	12	'89 Nov	109⅛	9.48		10.96
$ 175	Gaz De France	12⅛	'93 May	112	9.84		10.84
$ 100	Gaz De France	11	'95 Nov	105⅛	10.12		10.43
fl 500	Gaz De France	11⅛	'90 May	103⅛	10.74		10.87
$ 50	Michelin	7⅛	'88 Feb	94⅛	10.65	10.91	7.94
$ 125	Michelin	10	'94 Aug	97⅛	10.43	10.52	10.26
$ 60	Michelin O/s	9⅛	'88 Sep	98⅛	9.88	10.10	9.39
ecu 50	Moet Hennessy	9	'91 Mar	100⅛	8.86		8.93
ecu 50	Peugeot	9⅛	'90 Dec	100⅛	9.08		9.17
fl 175	Peugeot-Citroen	9⅛	'87 Feb	98⅛	9.88	9.88	9.76
ff 175	Pont-A-Mousson	7⅛	'87 Aug	95⅛	10.66	12.26	7.83
$ 40	Port Autonomes	9	'91 Nov	97⅛	9.57	9.90	9.32
ecu 40	Reg Auto Transp Paris	10⅛	'92 Apr	104⅛	9.91	9.77	10.43
fl 200	Renault	7⅛	'87 Mar	91⅛	14.15	15.15	7.92
fl 100	Rhone-Poulenc	7⅛	'87 Apr	95	12.18	12.58	7.89
fl 130	Saint-Gobain Pt Mouss	9⅛	'86 May	100⅛	8.50		9.73
$ 50	Sdr Develop Regional	15⅛	'92 Apr	104⅛	14.56	13.90	14.88
I 30	Sncf Nat Chemins Fer	11⅛	'89 Nov	98⅛	11.74		11.48
$ 75	Sncf Nat Chemins Fer	12	'91 Feb	105⅛	11.36	10.88	12.26
$ 50	Sncf Nat Chemins Fer	9	'92 Dec	97⅛	9.48	9.63	9.18
$ 100	Sncf Nat Chemins Fer	12⅛	'93 Dec	101	12.13		12.25
$ 100	Sncf Nat Chemins Fer	11⅛	'93 Mar	111	9.31		10.36
I 100	Sncf Nat Chemins Fer	11⅛	'94 Jan	98⅛	11.45		11.38
ecu 45	Sncf Nat Chemins Fer	11⅛	'94 May	107	9.61		10.82
ff 150	Total Oil Marine	9⅛	'87 Mar	99⅛	9.93		9.42
	GERMANY						
$ 150	Basf Finance Europe	9⅛	'89 Feb	102⅛	8.89		9.42
$ 145	Basf Overzee X/w	11	'88 Mar	104	8.79		10.58
fl 100	Basf Transatlantica	7⅛	'87 May	91⅛	15.46	18.82	8.28
$ 150	Bayer Intl Financ X/w	10⅛	'88 Jan	101⅛	8.59		10.32
$ 200	Bayer Intl Financ X/w	7⅛	'89 Feb	95⅛	8.93		7.57
ecu 60	Bayerische Vereinsbk	8⅛	'88 Nov	100⅛	8.15		8.23
$ 75	Bayerische Vereinsbk	13⅛	'87 Oct	107⅛	10.19		12.16
$ 50	Bmw O/s Enterprises	10⅛	'91 May	102	10.09		10.42
$ 100	Commerzbank Finance	13⅛	'89 Oct	106⅛	10.78		12.30
$ 100	Commerzbank Finance	11⅛	'90 Jan	106⅛	9.53		10.82
$ 100	Commerzbank Finance	11	'91 Mar	106	9.46		10.38
$ 100	Commerzbank Intl W/w	7	'88 Jun	177⅛	17.19		3.94
$ 50	Commerzbank Intl X/w	7	'88 Jun	96⅛	8.79		7.25
$ 50	Degussa Intl Fin W/w	8⅛	'93 May	140⅛	2.15		5.87
$ 50	Degussa Intl Fin X/w	8⅛	'93 May	93	9.82		8.87
$ 100	Deutsche Bank Finance	11⅛	'87 Oct	104	8.97		11.18
$ 200	Deutsche Bank Finance	14⅛	'89 Jun	114	9.37		12.50
$ 200	Deutsche Bank Finance	13⅛	'89 Sep	112⅛	9.27		12.02
$ 100	Deutsche Bank Lux W/w	6⅛	'91 May	241	11.73		2.59
$ 100	Deutsche Bank Lux X/w	6⅛	'91 May	91	8.42		6.87
$ 100	Dresdner Finance	11	'90 Apr	104⅛	9.42		10.53
$ 100	Dresdner Finance	10⅛	'92 Apr	104⅛	9.54		10.05
ecu 100	Dresdner Finance	9⅛	'93 Oct	103	8.57		8.86
$ 125	Hoechst Finance X/w	6⅛	'90 Jul	93⅛	9.03		7.22
$ 85	Hoechst Finance X/w	8	'93 Feb	94⅛	9.18		8.47
$ 40	Schering Intl Fin X/w	6⅛	'90 Aug	84⅛	11.93		8.16
$ 250	Siemens Western X/w	7⅛	'90 Apr	95⅛	9.18		8.14
$ 70	Veba Intl Finance X/w	8	'93 Dec	94⅛	9.00		8.47
$ 150	Volkswagen Overseas	7⅛	'87 May	97⅛	9.86		7.95
$ 100	Wesfia Finance	11⅛	'90 Dec	109	9.46		10.89
	ICELAND						
$ 30	Iceland	9	'87 Feb	98⅛	10.23	11.36	9.11
$ 50	Iceland	12⅛	'92 Dec	105	11.03	11.21	12.14
	IRELAND						
I 50	Ireland	11⅛	'94 Apr	97	11.94		11.73
	ITALY						
ecu 200	Italy	9⅛	'89 Apr	101⅛	8.80		9.54
$ 50	Consorzio Di Credito	7⅛	'90 Jan	95	9.07	9.90	7.89
ecu 70	Credito Italiano	9⅛	'92 May	101⅛	9.48		9.73
$ 50	Ent Ente Naz Idrocar	7	'88 Jan	96⅛	9.03	9.42	7.25
ecu 50	Olivetti Holding	8⅛	'93 Apr	99⅛	8.76		8.76
	JAPAN						
ecu 130	All Nippon Airways	9	'95 Apr	100⅛	8.95		8.98
$ 100	Bank Of Tokyo Curacao	13⅛	'89 Sep	114⅛	9.05		12.14
$ 125	Bank Of Tokyo Curacao	11	'90 Apr	107	8.89		10.28
ecu 40	Bank Of Tokyo Curacao	9⅛	'90 Jan	102⅛	8.47		8.92
$ 100	Bank Of Tokyo Curacao	11⅛	'90 Dec	110	9.21		10.80
ecu 40	Bank Of Tokyo Curacao	10⅛	'91 Feb	103⅛	10.02		10.57
$ 100	Bank Of Tokyo Curacao	13⅛	'91 Jun	117⅛	9.32		11.60
ecu 50	Bank Of Tokyo Curacao	10⅛	'91 Nov	103⅛	9.91		10.39
$ 100	Bank Of Tokyo Curacao	12⅛	'92 Jan	101⅛	12.32		12.47
$ 100	Bank Of Tokyo Curacao	11⅛	'95 Jul	105⅛	10.29		10.66
$ 50	Chugoku Electr Power	13⅛	'89 Aug	107⅛	10.58		12.47
$ 100	Dai-Ichi Kangyo Bank	12⅛	'90 Oct	108⅛	9.79		11.86
$ 150	Dai-Ichi Kangyo Finan	10⅛	'89 Jul	104⅛	9.14		9.95
$ 75	Export-Import Bank	13⅛	'91 Jan	113⅛	9.86		11.67
$ 100	Export-Import Bank	10⅛	'95 Jun	101⅛	10.10		10.22
$ 100	Fuji Intl Finance Hk	10⅛	'90 May	105⅛	9.23		10.31
$ 50	Hazama-Gumi Ltd W/w	9⅛	'89 Nov	116	4.53		7.97
$ 50	Hazama-Gumi Ltd X/w	9⅛	'89 Nov	97⅛	10.14		9.51
$ 60	Hitachi Zosen	11⅛	'90 Mar	105	2.94	9.54	10.95
$ 50	Hokuriku Electr Power	12⅛	'89 Oct	109	9.45		11.47
$ 100	Indust Bank Japan Fin	16⅛	'88 Apr	104⅛	8.65		14.43
$ 100	Indust Bank Japan Fin	11⅛	'89 Jan	106⅛	8.97		10.80
$ 100	Indust Bank Japan Fin	12⅛	'89 Oct	111⅛	9.07		11.57
$ 100	Indust Bank Japan Fin	11⅛	'91 Nov	111	9.30		10.70
I 30	Indust Bank Japan Fin	11⅛	'95 Dec	100	11.62	11.59	11.63
$ 100	Industrial Bank Japan	10⅛	'90 Feb	103⅛	9.70		10.48
$ 125	Industrial Bank Japan	13⅛	'91 Jul	114	10.33		12.37
cn$ 85	Industrial Bank Japan	12	'91 Dec	104⅛	10.97		11.48
$ 100	Industrial Bank Japan	10⅛	'92 Jan	105	9.61		10.24
$ 100	Industrial Bank Japan	10⅛	'95 Jan	105	10.00		10.36
$ 100	Industrial Bank Japan	11⅛	'95 May	104	10.44		10.85
$ 150	Industrial Bank Japan	10⅛	'95 Oct	103⅛	9.91		10.14
$ 50	Itoh C Co Ltd W/w	7⅛	'89 May	136⅛	2.94		5.48
$ 50	Itoh C Co Ltd X/w	7⅛	'89 May	92⅛	10.27		8.11
$ 75	Japan Airlines	11	'93 Jun	105	9.98	9.46	10.48
$ 70	Japan Airlines	12⅛	'94 May	113	10.09		11.06
$ 100	Japan Airlines	13⅛	'94 Aug	115⅛	10.50		11.58
$ 54	Japan Airlines	11	'97 Nov	107	9.95	9.87	10.28
$ 42	Japan Airlines	16⅛	'98 Apr	105⅛	10.06	9.86	10.31
$ 50	Japan Develop Bank	15⅛	'87 Feb	106⅛	8.61		14.55
$ 75	Japan Develop Bank	12⅛	'89 Oct	111⅛	8.53		11.07
$ 50	Japan Synth Rubbe X/w	7⅛	'89 May	84⅛	9.78		8.28
$ 50	Jusco Co Ltd X/w	8	'88 Dec	94	9.73		8.53
$ 100	Kansai Electric Power	12⅛	'89 Oct	109⅛	9.32		11.42
$ 100	Kayaba Industry X/w	6⅛	'89 Feb	98	10.21		6.94
$ 100	Kyowa Finance (hk)	12⅛	'90 May	111⅛	9.28		11.52
$ 100	Long-Term Credit Bank	11⅛	'89 Apr	107⅛	9.02		11.05
$ 125	Long-Term Credit Bank	15⅛	'89 Aug	106⅛	13.48		14.59
$ 100	Long-Term Credit Bank	11	'90 Mar	106	9.17		10.38
$ 75	Long-Term Credit Bank	12	'90 May	109⅛	9.33		10.96
$ 100	Long-Term Credit Bank	10⅛	'90 Jun	105⅛	9.12		10.19
$ 85	Long-Term Credit Bank	12⅛	'90 Sep	111	9.44		11.26
$ 125	Long-Term Credit Bank	13⅛	'91 Jul	117	9.47		11.65
$ 100	Long-Term Credit Bank	12⅛	'91 Nov	115	9.75		11.20
$ 100	Long-Term Credit Bank	12	'93 Dec	111⅛	9.81		10.76
$ 100	Minebea Co W/w	6⅛	'89 Feb	146⅛	4.87		4.27
$ 100	Minebea Co X/w	6⅛	'89 Feb	97⅛	9.58		6.83
$ 50	Mitsubishi Chemic X/w	11	'87 Jan	102⅛	8.25		10.73
$ 100	Mitsubishi Corp W/w	5⅛	'88 Nov	120⅛	1.39		4.77
$ 100	Mitsubishi Corp X/w	5⅛	'88 Nov	91	9.55		4.32
$ 100	Mitsubishi Corp	13⅛	'89 Jul	116⅛	9.52		11.97
$ 100	Mitsubishi Corp	10⅛	'90 May	104⅛	8.94		9.98
$ 100	Mitsubishi Corp	12⅛	'91 May	113⅛	9.87		10.99
$ 100	Mitsubishi Corp	10⅛	'92 Feb	100⅛	10.36		10.45
$ 200	Mitsubishi Corp	10⅛	'95 Feb	101	10.45		10.52
$ 50	Mitsubishi Estate	11⅛	'88 Mar	105⅛	8.93		11.14
$ 100	Mitsubishi Fin(hk)x/w	12⅛	'89 Nov	109	9.62		11.58
I 50	Mitsubishi Fin(hk)	11	'90 May	97⅛	11.62		11.34
$ 100	Mitsubishi Finance	11⅛	'90 Jan	107⅛	9.19		10.58
$ 50	Mitsubishi Gas X/w	6⅛	'89 Mar	91⅛	10.25		7.53
$ 100	Mitsubishi Metal X/w	7⅛	'89 Nov	92⅛	10.33		8.51
$ 30	Mitsui Engineerin W/w	7⅛	'88 Oct	105⅛	5.80		6.87
$ 30	Mitsui Engineerin X/w	7⅛	'88 Oct	94⅛	9.72		7.69
$ 50	Mitsui Finance Asia	11⅛	'89 Dec	104	10.16		11.06
$ 100	Mitsui Finance Asia	12⅛	'90 Aug	109	9.55		11.12
$ 50	Mitsui Finance Asia	12⅛	'92 Feb	101⅛	11.94		12.10
ecu 32	Mitsui Finance Asia	8⅛	'95 Oct	97⅛	9.20	9.26	9.07
$ 100	Mitsui Trust Fin (hk)	12⅛	'89 Nov	111	9.23		11.60
$ 100	Mitsui Trust Fin (hk)	11⅛	'90 Jun	105⅛	9.75		11.02
$ 100	Mitsui Trust Fin (hk)	12	'91 Feb	110⅛	9.28		10.86
ecu 60	Mitsui Trust Fin (hk)	9⅛	'93 Nov	97⅛	9.33		9.10
$ 100	Nippon Credit Bank	13⅛	'89 Jul	113⅛	9.15		12.25
$ 100	Nippon Credit Bank	15⅛	'89 Aug	116⅛	9.25		13.09
$ 100	Nippon Credit Bank	11	'90 May	106⅛	9.21		10.36
$ 100	Nippon Credit Bank	12	'90 Aug	109⅛	9.33		11.01
$ 100	Nippon Credit Bank	11⅛	'90 Nov	110	9.10		10.68
ecu 50	Nippon Credit Bank	11	'91 May	106⅛	9.29	9.16	10.35
$ 100	Nippon Credit Bank	12⅛	'92 Jan	101⅛	12.26		12.72
$ 100	Nippon Credit Bank	11⅛	'92 Feb	107	9.64		10.38
$ 100	Nippon Credit Bank	10⅛	'95 Jul	104	9.61		9.86
$ 150	Nippon Credit Bank	11⅛	'95 Nov	105⅛	9.68		10.65
$ 100	Nippon Kokan Kabushik	13⅛	'91 Sep	110⅛	10.08		11.78
$ 50	Nippon Shinpan	12⅛	'89 Oct	106⅛	10.61		12.09
$ 150	Nippon Steel Corp	10⅛	'92 Feb	104⅛	10.73		10.61
$ 50	Nippon Telegra Teleph	8⅛	'87 Mar	99⅛	8.86		8.19
$ 50	Nippon Telegra Teleph	10⅛	'90 Jan	103⅛	9.34	9.15	9.88
$ 100	Nippon Telegra Teleph	11⅛	'90 Feb	107⅛	8.49		10.59
$ 100	Nippon Telegra Teleph	12⅛	'91 Aug	115⅛	9.84		11.04
$ 100	Nippon Telegra Teleph	10⅛	'92 Feb	105⅛	9.44		10.30
$ 50	Nippon Telegra Teleph	9⅛	'95 Dec	99⅛	9.53		9.63
$ 50	Nippon Yusen Kabushi	13⅛	'89 Aug	110⅛	9.77		12.22
$ 70	Nissho Iwai Corp X/w	6⅛	'89 Feb	92	9.69		7.07
$ 100	Nomura Europe	12⅛	'91 Oct	101⅛	11.79		11.98
$ 100	Nomura Securities W/w	6⅛	'88 Nov	173⅛	13.79		3.60
$ 100	Nomura Securities X/w	6⅛	'88 Nov	93	9.22		6.72
$ 50	Obayashi-Gumi X/w	7⅛	'89 Apr	95	9.63		8.16
$ 50	Omron Tateisi Ele X/w	6⅛	'89 Apr	91	10.83		7.28
$ 50	Saitama Intl (hk)	11⅛	'90 Mar	106⅛	9.58		10.80
$ 50	Sanwa Intl Finance Hk	11⅛	'89 Dec	101	10.74		11.41
$ 100	Sanwa Intl Finance Hk	12⅛	'90 Feb	110	9.84		11.36
$ 150	Sanwa Intl Finance Hk	11⅛	'92 Jan	109⅛	9.69	9.38	10.84
$ 100	Sanwa Intl Finance Hk	11⅛	'92 Jun	109	9.52		10.55
ecu 40	Sanwa Intl Finance Hk	9	'95 Aug	98⅛	9.32	9.24	9.14
$ 50	Seino Transportat W/w	6⅛	'87 Mar	137⅛	4.12		4.99
$ 50	Seino Transportat X/w	6⅛	'89 Mar	92	9.95		7.47
$ 50	Shikoku Electr Power	11⅛	'89 Jan	105⅛	9.53		10.66
$ 100	Sony Corporation W/w	7⅛	'98 Jun	120⅛	2.58		6.43
$ 100	Sony Corporation X/w	7⅛	'98 Apr	92	10.15		8.42
$ 20	Sumitomo Constrac X/w	7⅛	'89 Apr	92	10.07		8.15
$ 100	Sumitomo Corporation	10⅛	'92 Mar	101⅛	10.27		10.47
ecu 60	Sumitomo Corporation	9⅛	'94 Oct	100⅛	9.14		9.28
$ 100	Sumitomo Finance Asia	15⅛	'88 Jul	117⅛	9.25		13.36
$ 100	Sumitomo Finance Asia	10⅛	'90 Jun	106	9.10		10.14
$ 150	Sumitomo Finance Asia	12⅛	'91 May	113⅛	9.41		11.26
$ 100	Sumitomo Finance Asia	11⅛	'92 Jun	110	9.51		10.68
ecu 75	Sumitomo Finance Asia	9	'93 Nov	100⅛	8.90		8.96
$ 100	Sumitomo Trust Fin Hk	12⅛	'92 Feb	107⅛	12.21		12.47
$ 100	Taiyo Kobe Finance Hk	12	'90 Dec	110	9.33		10.91
$ 50	Tohoku Electric Power	12⅛	'89 Sep	107⅛	9.47		11.64
$ 100	Tokai Asia Ltd	12⅛	'91 Feb	111⅛	9.27		10.99
$ 100	Tokai Asia Ltd	11⅛	'95 May	105⅛	10.23		10.69
$ 70	Tokyo Electric Co X/w	6⅛	'89 Mar	90⅛	10.08		7.34
$ 50	Tokyo Metropolis	12⅛	'86 Jul	115⅛	10.04		11.15
$ 50	Toray Industries W/w	10⅛	'87 Mar	125⅛	10.97		8.28
$ 50	Toray Industries X/w	10⅛	'87 Mar	101⅛	8.57		10.12
$ 50	Toyo Engineering X/w	6⅛	'89 Mar	98⅛	10.22		7.18
$ 100	Yamaichi Intl	11⅛	'91 Dec	99⅛	11.48		11.43
$ 100	Yasuda Trust Finance	12⅛	'89 Apr	108	9.22		11.46
	LUXEMBOURG						
$ 24	Bil-Bank Intl X/w	7⅛	'90 May	93⅛	9.41		8.02
ecu 40	Snci Sec Nat Cred Inv	10⅛	'94 May	106⅛	9.64		10.19
	MEXICO						
$ 40	Mexico	8⅛	'87 Mar	97⅛	10.97	13.44	8.72
$ 30	Mexico	8⅛	'91 Dec	85⅛	12.36	13.10	10.23
$ 175	Mexico	18⅛	'97 Jul	105	17.39		17.62
$ 75	Comision Fed Electric	13	'87 Nov	97	14.96		13.40
cn$ 50	Nacional Financiera	17⅛	'87 Mar	103	15.54		17.40
$ 75	Pemex Petroleos Mexic	17⅛	'86 Nov	101⅛	14.86		17.24
I 30	Pemex Petroleos Mexic	14⅛	'87 Apr	98⅛	17.66		14.72
$ 125	Pemex Petroleos Mexic	11⅛	'88 Jul	93	15.08	15.73	12.37
	MISCELLANEOUS						
$ 30	Bauxites De Guinee	8	'98 Dec	91⅛	10.38	11.48	8.74
$ 75	Develop Bk Singapore	15⅛	'89 Aug	105⅛	13.35		14.69
ecu 75	Mogal Finance	9⅛	'95 Apr	100⅛	9.57		9.81
	NETHERLANDS						
$ 50	Aegon	11⅛	'91 Feb	104⅛	10.67		11.26
$ 75	Aegon	10⅛	'95 Sep	104	9.39		9.86
$ 100	Amev Nv	10⅛	'92 Oct	104	9.52		9.98
I 50	Amev Nv	11	'93 Jan	96⅛	11.84		11.44
$ 200	Amro Bank	13	'89 Nov	110⅛	9.59		11.76
$ 125	Amro Bank	10⅛	'90 Aug	101⅛	10.28		10.50
ecu 50	Bank Mees & Hope	9	'92 Jul	100⅛	8.87		8.96
$ 40	Dsm Dutch State Mines	8⅛	'87 Jun	98⅛	9.61	9.65	8.40
$ 50	Dsm Dutch State Mines	8⅛	'88 Aug	97⅛	9.88	10.07	8.97
$ 150	Dsm Dutch State Mines	11⅛	'91 Mar	105	10.84		10.83
$ 50	Eurofo Nv	15⅛	'87 May	107	9.16		14.49
$ 100	Holland Airlines Fin	12⅛	'91 Aug	105⅛	10.79		11.61
$ 50	Nederlandse Gasunie	10⅛	'90 Apr	107⅛	8.91		10.85
$ 75	Nederlandse Gasunie	11⅛	'90 Oct	107⅛	9.33		10.44
$ 75	Nederlandse Gasunie	11⅛	'91 Nov	107	9.46		10.51
$ 200	Philips Gloeilampe X/w	6⅛	'90 Jul	92	8.99		7.34
ecu 50	Philips Intl Finance	9	'93 May	102⅛	8.51		8.78
$ 75	Rabobank Nederland	11	'91 Mar	107⅛	10.57		10.71
ecu 50	Rabobank Nederland	9⅛	'95 May	103	9.72		9.34
$ 60	Shell Intl Finance	8	'86 Dec	99⅛	8.59	8.59	8.04
$ 75	Shell Intl Finance	7⅛	'87 Jan	98⅛	9.31	9.22	7.61
$ 50	Shell Intl Finance	7⅛	'87 Mar	97⅛	8.31		7.79
$ 300	Shell Intl Finance	8⅛	'90 Feb	97⅛	9.82		8.46
$ 100	Thyssen Bo Finance	10⅛	'90 Mar	103	9.34		10.56
$ 150	Unilever Capital Corp	9⅛	'92 Nov	103⅛	9.15		9.54
$ 100	Unilever Nv	9⅛	'90 Jul	101⅛	9.22	8.87	9.58
	NEW ZEALAND						
$ 100	New Zealand	8⅛	'86 Dec	99⅛	8.84		8.29
y 15000	New Zealand	8⅛	'87 Dec	103⅛	6.31		8.09
I 100	New Zealand	10⅛	'89 Apr	99⅛	11.31		10.80
y 15000	New Zealand	7⅛	'89 Sep	104	6.33		7.33
ecu 100	New Zealand	9⅛	'90 Jun	102	8.45		9.07
ecu 100	New Zealand	9⅛	'92 Jun	102⅛	8.95		9.27
$ 100	New Zealand	10⅛	'95 Jul	102⅛	9.81		10.08
$ 150	New Zealand	10⅛	'98 Jul	102	10.21		10.29
$ 50	Bank Of New Zealand	11⅛	'93 Mar	105⅛	10.34		10.78
$ 100	Dfc Finance O/s	11	'95 Jul	104⅛	10.21		10.53
ecu 75	Petrocorp O/s Finance	9	'93 Nov	96⅛	9.65		9.32
	NORWAY						
$ 15	Bergen City	8	'87 Apr	98⅛	9.14	9.94	8.18
$ 50	Den Norske Creditbank	13	'90 May	109⅛	10.12		11.87
$ 50	Den Norske Creditbank	11⅛	'90 May	104⅛	10.32		10.77
nkr 100	Eksportfinans	11⅛	'86 Jan	101⅛	8.73		11.17
$ 50	Eksportfinans	9	'86 Sep	100	8.64	8.84	9.00
$ 75	Eksportfinans	9⅛	'87 Jul	100⅛	9.23	9.18	9.48
$ 100	Eksportfinans X/w	13⅛	'87 Sep	107⅛	8.59		12.41
nkr 200	Eksportfinans	12	'89 Jan	102⅛	10.98		11.69
$ 50	Eksportfinans	14⅛	'89 Mar	102	13.24	13.26	14.08
$ 75	Eksportfinans	9⅛	'90 Feb	100⅛	9.38	8.67	9.63
$ 100	Eksportfinans	11⅛	'90 Nov	107⅛	9.70		10.80
nkr 250	Eksportfinans	10⅛	'92 Jan	104⅛	9.84		10.07
$ 100	Eksportfinans	11⅛	'92 Mar	108⅛	9.36		10.37
$ 100	Eksportfinans	10	'96 Jan	103	9.51	9.44	9.71
nkr 100	Norges Hypotekinstitutt	10⅛	'88 Apr	97	10.94	11.36	10.61
$ 50	Norges Kommunalbank	7⅛	'86 Dec	99⅛	9.67	9.85	7.98
$ 60	Norges Kommunalbank	8⅛	'91 Dec	97	9.17	9.35	8.74
$ 75	Norges Kommunalbank	8⅛	'92 May	96⅛	9.33	9.38	8.70
$ 30	Norpipe	9⅛	'86 Apr	100	8.90	8.89	9.25
$ 50	Norpipe	8⅛	'87 Apr	97⅛	9.45	9.94	8.72
nkr 250	Norsk Data	10⅛	'89 Dec	101⅛	10.15		10.57
$ 30	Norsk Hydro	14⅛	'87 Jul	102	12.69		14.22
$ 30	Norsk Hydro	12	'90 Feb	99⅛	12.06		12.01
$ 100	Norsk Hydro	8⅛	'91 Feb	97⅛	9.15		8.72
$ 50	Norsk Hydro	11⅛	'91 Mar	100⅛	11.44		11.55
$ 30	Norsk Hydro	9	'91 Sep	99⅛	9.51		9.15
nkr 300	Norsk Hydro	12	'91 Oct	104⅛	10.86	12.28	11.52
$ 50	Norsk Hydro	8⅛	'92 Mar	97	9.16	9.52	8.76
$ 100	Norsk Hydro	12⅛	'92 Nov	109⅛	10.03	10.53	11.62
$ 100	Norsk Hydro	10	'93 Aug	103	9.40	9.48	9.71
$ 50	Norsk Hydro	9⅛	'94 Jun	97⅛	9.71	9.91	9.49
fl 100	Oslo City	7⅛	'87 Mar	97⅛	9.47		7.82
$ 40	Oslo City	8⅛	'87 Oct	97⅛	10.03	20.79	7.82
nkr 100	Oslo City	10⅛	'88 Feb	100⅛	10.01	10.22	10.33
nkr 150	Oslo City	11⅛	'91 Aug	104⅛	10.85	9.82	10.17
$ 150	Saga Petroleum	11⅛	'93 Nov	101⅛	11.70		11.37
$ 50	Statoil Den Norske	12	'88 Apr	107	8.51		11.21
$ 100	Statoil Den Norske	12⅛	'89 Jul	112⅛	8.85		11.13
$ 125	Statoil Den Norske	9⅛	'89 Aug	101	9.24	9.06	9.53
$ 150	Statoil Den Norske	10	'90 Aug	103⅛	8.99		9.66
$ 125	Statoil Den Norske	9⅛	'96 Jan	98	9.87		9.44
ecu 70	Union Bank Norway	9	'95 Sep	99⅛	9.11		9.07
	SOUTH AFRICA						
$ 25	South Africa	7⅛	'87 Dec	93	12.14	12.34	8.33
$ 40	South Africa	12⅛	'89 Jul	93	15.19		13.44
$ 50	Anglo American Corp	7⅛	'87 Mar	97	10.58	13.38	7.73
$ 75	Escom Electr Supply	11⅛	'88 Jan	93	15.28		12.37
$ 75	Escom Electr Supply	12⅛	'91 Feb	93	14.21		13.17
$ 100	Escom Electr Supply	11⅛	'91 Jul	90	14.21		12.78
	SPAIN						
$ 100	Spain	15⅛	'87 Apr	107⅛	8.58		14.68
$ 30	Autopistas	7	'87 Jul	98⅛	8.82	9.88	7.12
$ 30	Inst Nacional Ind (Inst Institut Nac Inde)	8	'87 Oct	99	8.62	8.97	8.08
$ 15	Petronor	8⅛	'86 Dec	99⅛	9.36	9.37	8.56
$ 15	Petronor	7⅛	'86 Jan	97⅛	9.37	9.86	7.97
	SUPRANATIONAL						
ecu 45	African Develop Bank	10⅛	'89 Dec	102⅛	9.55		10.12
ecu 35	African Develop Bank	10⅛	'91 Dec	104⅛	9.57		10.17
$ 75	Asian Develop Bank	8⅛	'86 Aug	99⅛	9.51		8.67
y 15000	Asian Develop Bank	8⅛	'88 Sep	97	6.14		8.61
y 15000	Asian Develop Bank	8⅛	'91 Apr	101⅛	7.88		8.12
y 15000	Asian Develop Bank	8⅛	'93 Aug	102⅛	7.98		8.32
$ 100	Asian Develop Bank	11⅛	'93 Nov	108	10.19		10.88
y 15000	Asian Develop Bank	7⅛	'94 Feb	105	6.53		7.42
$ 75	Council Of Europe	17	'98 May	105⅛	9.35		10.43
$ 50	Council Of Europe	11⅛	'92 Mar	99⅛	11.48		11.43
	[illegible]						
	SWEDEN						
$ 100	Sweden	8⅛	'87 Jun	98⅛	9.10	9.15	8.34
$ 150	Sweden	14⅛	'88 Dec	113⅛	8.94		12.80
$ 100	Sweden	12⅛	'89 Apr	107⅛	8.83		11.20
$ 100	Sweden	9⅛	'89 May	101⅛	9.16		9.61
$ 200	Sweden	11⅛	'89 Dec	108	8.94		10.65
$ 200	Sweden	10⅛	'90 May	106⅛	8.95		10.21
$ 200	Sweden	10⅛	'92 Nov	105	9.21		9.76
I 50	Sweden	11⅛	'93 Aug	97⅛	11.79		11.57
$ 100	Sweden	11⅛	'94 Dec	110⅛	9.88		10.62
$ 100	Sweden	11⅛	'95 Mar	102⅛	11.51		11.48
$ 25	Aga Ab	9⅛	'88 Jan	98⅛	9.82	10.10	9.37
$ 50	Electrolux	10⅛	'90 Jun	102⅛	9.89		10.27
$ 30	Ericsson Lm	8⅛	'89 Apr	97	9.41	9.86	8.76
$ 35	Ericsson Lm	9⅛	'91 Sep	94⅛	10.57	10.65	9.79
I 40	Forsmarks Kraftgrupp	10⅛	'89 Apr	97⅛	11.67		10.93
$ 75	Forsmarks Kraftgrupp	12⅛	'92 Oct	100⅛	11.72	10.98	12.43
$ 40	Goetaverken	8⅛	'87 Sep	97⅛	9.41	10.03	8.33
$ 30	Gothenburg City	8⅛	'87 Dec	99⅛	9.64		8.88
$ 15	Granaesberg	6⅛	'87 Oct	96⅛	9.03	9.97	6.99
$ 15	Granaesberg	8⅛	'89 Feb	96⅛	9.89	11.04	8.61
$ 25	Modo Mo Och Domsjo	9	'86 Oct	100	8.88		9.00
$ 50	Pkbanken Post-Och	13⅛	'87 Jul	105⅛	9.26		12.88
$ 75	Pkbanken Post-Och	12	'90 Nov	105⅛	10.48		11.39
$ 50	Saab-Scania	8⅛	'89 Apr	97	9.65		8.76
$ 125	Saab-Scania	9⅛	'91 Feb	100	9.50		9.50
nkr 250	Scandinavian Airlines	10⅛	'92 Jan	100⅛	9.95		10.05
ecu 100	Scandinavian Airlines	9	'95 Aug	100⅛	8.90		8.86
$ 150	Scandinavian Airlines	10⅛	'95 Nov	101⅛	9.83		9.95
$ 30	Scanraff	8⅛	'88 Oct	98	9.46	9.68	8.80
$ 30	Scanraff	7⅛	'90 Dec	96	9.63	10.42	8.15
$ 100	Skandl Enskilda Bank	11⅛	'88 Mar	105	8.78		10.95
$ 40	Skandl Enskilda Bank	9	'91 Dec	96⅛	9.88	10.26	9.31
$ 30	Skf A/b	8	'87 Jan	98⅛	9.72	9.72	8.13
$ 20	Sodra Skogsagarna	9⅛	'86 Dec	100⅛	9.12	9.11	9.48
$ 25	Sparbankernas Bank	8⅛	'88 Jan	98⅛	9.77	10.00	8.91
$ 45	Svenska Handelsbanken	13⅛	'88 Apr	107	13.12		13.61
$ 100	Svenska Handelsbanken	12⅛	'89 Feb	101	11.95		12.25
$ 15	Sveriges Invest Bank	7⅛	'87 Nov	96⅛	10.05	10.08	8.03
cn$ 50	Swedish Export Credit	12⅛	'89 Feb	102⅛	10.98		11.98
	[illegible]						
$ 30	Swedish State Co	10⅛	'87 Jan	102⅛	10.91		10.54
$ 30	Svenska Kraft						
$ 35	Volvo	8	'87 Mar	99⅛	9.00		8.06
$ 100	Volvo	8	'87 Sep	97⅛	9.01	9.26	8.06
$ 100	Volvo	11	'88 Aug	101⅛	10.59		10.84
$ 150	Volvo	10⅛	'88 Jun	104⅛	9.31		10.06
	SWITZERLAND						
I 25	Ciba-Geigy Intl X/w	6⅛	'93 Nov	78	11.12		8.65
$ 100	Credit Suisse Bahamas	10⅛	'87 Dec	105	8.90		10.00
$ 150	Credit Suisse Bahamas	10⅛	'90 Mar	103⅛	8.88		9.97
$ 150	Credit Suisse Bah W/w	7	'90 Jan	124⅛	7.37		5.61
$ 150	Credit Suisse Bah X/w	7	'90 Jan	93⅛	8.93		7.51
$ 100	Credit Suisse Fin X/w	11⅛	'92 Feb	101⅛	11.29		11.58
$ 150	Pirelli Intl W/w	6⅛	'88 Jun	154⅛	11.84		4.37
$ 100	Swiss Bank Corp O/s	10⅛	'90 Jan	102⅛	9.58		10.02
$ 250	Swiss Bank Corp W/w	5⅛	'92 Dec	174	2.89		4.74
$ 150	Swiss Bank Corp W/w	6⅛	'93 Jan	173	3.65		3.61
$ 100	Swiss Bank Corp X/w	6⅛	'93 Jan	86⅛	8.87		7.33
$ 75	Swiss Volksbank W/w	6⅛	'92 Oct	149⅛	3.11		4.35
$ 200	Union Bk Switzerland	10⅛	'87 Nov	103	8.88		10.44
$ 100	Union Bk Switzerland	10	'89 May	101⅛	9.19		9.85
$ 100	Union Bk Switzerland	11	'89 Nov	103	9.96		10.68
$ 150	Union Bk Switzerland	12⅛	'91 Jun	106	10.48		11.56
$ 150	Union Bk Switzerl W/w	6	'92 Jun	179⅛	2.31		3.03
$ 300	Union Bk Switzerl W/w	5⅛	'93 Feb	102⅛	5.02		5.36
	UNITED KINGDOM						
$ 150	United Kingdom	8⅛	'93 May	99⅛	8.91	8.93	8.88
$ 75	Allied Lyons	11⅛	'91 Feb	105⅛	10.17		11.02
$ 35	Barclays Bank Finance	10⅛	'90 Aug	108⅛	9.12		9.50
$ 250	Barclays Bank Finance	10⅛	'90 Jun	103⅛	9.22		10.67
$ 30	Barclays Bank Intl	8⅛	'88 Dec	99⅛	9.17	9.17	8.31
$ 100	Barclays O/s Invest	8⅛	'92 Sep	94⅛	9.44		8.91
$ 30	Bass Charrington	8⅛	'88 Feb	76	15.41	19.67	8.58
$ 100	Bat Intl Finance	7⅛	'87 Nov	89⅛	14.56	17.29	8.38
$ 100	Bat Intl Finance	11	'88 Feb	106⅛	7.42		10.48
$ 100	Bat Intl Finance	10⅛	'91 Dec	102⅛	11.07		10.19
	[illegible]						
$ 100	Williams Glyns Nederl	14⅛	'86 Jun	102⅛	10.62	10.47	13.76
	UNITED STATES AMERICA						
$ 150	Aetna Life Casualty	15	'86 Apr	101⅛	8.47		14.83
$ 150	Alaska Housing Fin Co	11⅛	'94 Feb	104⅛	10.22	10.15	10.87
y 20000	Allied-Signal Inc	6⅛	'93 Jan	99⅛	6.85		6.84
y 10000	Allied Co	6⅛	'91 Dec	101⅛	6.46		6.71
	[illegible]						
$ 100	Security Pacif Nat Bk	10⅛	'87 Feb	101⅛	8.22		10.15
$ 100	Security Pacif Nat Bk	11⅛	'88 Dec	104⅛	8.95		11.08

(Continued on Page 14)

HIGHEST YIELDS
to Average Life Below 5 Years

Amt	Security	%	Mat	Middle Price	Yield Mat	Avg Life	Curr
$ 15	Ward Foods O/s Capita	5⅛	'88 Nov	78	14.30	17.43	7.37
$ 125	Pemex Petroleos Mexic	11⅛	'88 Jul	93	15.08	15.73	12.37
$ 50	Anglo American Corp	7⅛	'87 Mar	97	10.58	13.38	7.73
$ 30	Mexico	8⅛	'91 Dec	85⅛	12.36	13.10	10.23
$ 50	Uer O/s Finance	13⅛	'88 Oct	101	12.96	12.88	13.37
$ 40	Mexico	8⅛	'87 Mar	97⅛	10.97	12.44	8.72
$ 50	Eksportfinans	14⅛	'89 May	102	13.24	13.26	14.08
$ 25	South Africa	7⅛	'87 Dec	93	12.14	12.34	8.33
$ 14	Reliance Transcontine	6⅛	'88 Feb	90⅛	11.78	12.12	6.91
fl 100	Oslo City	7⅛	'87 Mar	92⅛	15.83	20.79	7.82
fl 50	Bass Charrington	7⅛	'87 Aug	90	15.41	19.67	8.33
fl 200	Renault	7⅛	'87 Mar	91⅛	14.15	19.15	7.92
fl 100	Basf Transatlantica	7⅛	'87 May	91⅛	15.46	18.53	8.20
fl 100	Bat Intl Finance	7⅛	'87 Nov	89⅛	14.56	17.29	8.38

HIGHEST YIELDS
to Average Life Above 5 Years

Amt	Security	%	Mat	Middle Price	Yield Mat	Avg Life	Curr
$ 50	Dome Petroleum	10	'94 Jul	92	11.50	11.87	10.87
$ 50	Ingersoll-Rand Intl	13⅛	'95 Oct	107	11.96	11.65	12.28
$ 75	Caisse Nat Autoroutes	15⅛	'97 Mar	119	12.59	11.55	13.24
$ 40	Ottawa-Carleton	14⅛	'97 Jun	113	12.51	11.53	13.05
$ 50	Macmillan Bloedel	9	'92 Feb	93	10.64	10.75	9.68
$ 75	Intl Standard Electri	12	'94 Mar	105⅛	11.06	10.72	11.37
$ 40	Rhm Overseas Finance	9	'92 Aug	93⅛	10.40	10.70	9.63
$ 50	Macmillan Bloedel	9⅛	'92 Aug	94	10.48	10.64	9.84
$ 35	Ericsson Lm	9⅛	'91 Sep	94⅛	10.57	10.65	9.79
cn$ 50	Canadian Utilities	17	'96 Dec	118	13.70	12.02	14.41
I 30	Indust Bank Japan Fin	11⅛	'95 Dec	100	11.62	11.59	11.63
cn$ 40	Royal Bank Of Canada	18	'94 May	94	10.73	10.84	10.42
cn$ 40	Royal Bank Of Canada	9	'92 Feb	95	10.15	10.30	9.47
ecu 40	Reg Auto Transp Paris	10⅛	'92 Apr	104⅛	9.91	9.77	10.43

HIGHEST CURRENT YIELDS

Amt	Security	%	Mat	Middle Price	Yield Mat	Avg Life	Curr
$ 175	Mexico	18⅛	'97 Jul	105	17.39		17.62
$ 75	Pemex Petroleos Mexic	17⅛	'86 Nov	101⅛	14.86		17.24
$ 75	Transcanada Pipelines	17⅛	'88 Oct	105⅛	14.84		16.70
$ 40	Occidental Intl Finan	14⅛	'87 Mar	101	15.58		14.58
$ 40	Gulf States O/s Finan	17⅛	'88 Oct	107⅛	14.41		16.55
$ 75	Ohio Edison Finance	17⅛	'88 Oct	106	14.53		16.51
$ 75	Genstar	17⅛	'89 Oct	105⅛	14.90		16.29
$ 50	Winnipeg City	17	'86 Oct	105⅛	8.38		16.11
$ 100	Tenneco Intl	17	'88 Oct	103⅛	15.51		16.08
cn$ 50	Nacional Financiera	17⅛	'87 Mar	103	15.54		17.40
cn$ 60	Hudsons Bay	18	'87 Nov	103⅛	15.28		17.39
cn$ 50	Quebec Province	18	'87 Oct	105	14.29		17.14
cn$ 40	Canadian Pacific	17⅛	'87 Nov	104⅛	14.56		16.97
cn$ 100	Feder Business Dev Bk	17⅛	'86 Oct	104⅛	10.81		16.99

ZERO-COUPON BONDS

Feb. 6

Security	Final Maturity	Original Offerings Amt	Year	Price	Offered Price
American Intl Group	15 Aug 2004	$ 750	1984	12	17⅛
Asian Develop Bank	31 Aug 2004	$ 1000	1984	10⅛	15⅛
Atlantic Richfield Os	4 Feb 1992	$ 200	1982	25⅛	56⅛
Baker Intl Finance	25 Feb 1992	$ 225	1982	24.70	55⅛
Beatrice Foods O/s	9 Feb 1992	$ 220	1982	25⅛	55⅛
Campbell Soup O/s Fin	21 Apr 1992	$ 200	1982	27	55⅛
Caterpillar Fin Serv	11 Aug 1992	$ 200	1982	24	53⅛
Caterpillar Fin Serv	11 Feb 1994	$ 140	1982	19.84	46
Centrust Savings Bank	15 Feb 2010	$ 1200	1985	5.995	8⅛
Commerzbank	22 May 1995	dm 300	1985	50	57
Commerzbank	4 Aug 2000	dm 300	1985	33⅛	41
Connecticut Mut Life	11 Sep 2000	$ 115	1985	18.80	22⅛
Dow Chemical	20 May 1997	1 300	1985	29	38
Du Pont O/s Capital	11 Feb 1990	$ 300	1982	33.80	71⅛
Eksportfinans	3 Oct 1994	$ 360	1984	30⅛	44⅛
Electricite France	11 Sep 1994	$ 500	1984	29⅛	46⅛
Exxon Capital	15 Nov 2004	$ 1000	1984	11.45	17⅛
Florida Feder Savings	15 Jul 1995	$ 160	1985	36.35	50⅛
Gaz De France	23 Feb 1992	$ 150	1982	25.82	69
Gaz De France	1 Mar 1994	$ 150	1982	19.85	49⅛
General Electric Cred	17 Feb 1992	$ 400	1982	24.08	59
General Electric Cred	17 Feb 1993	$ 400	1982	22.00	54⅛
General Electric Cred	4 Mar 1994	$ 200	1982	19⅛	49⅛
General Electric Cred	4 Mar 1995	$ 300	1982	17⅛	45⅛
General Electric Cred	18 Jul 1996	$ 400	1985	25.55	40⅛
General Mills Inc	15 Aug 2004	$ 250	1984	11.80	16⅛
General Mills Inc	15 Aug 2013	$ 1000	1984	4.80	6⅛
Gmac O/s Finance	10 Feb 1990	$ 150	1982	34	71⅛
Gmac O/s Finance	3 Feb 1992	$ 250	1982	25⅛	58⅛
Gmac O/s Finance	1 Oct 1992	$ 400	1982	22⅛	55⅛
Gulf Oil Finance	2 Mar 1992	$ 300	1982	25.82	56⅛
Hewlett-Packard Fin	2 Jan 1991	$ 150	1985	64⅛	64⅛
New England Life	1 Feb 1999	$ 85	1985	20⅛	26
Nordic Investment Bk	11 Sep 1994	$ 150	1984	31⅛	45⅛
Pearson	7 May 1992	1 100	1985	48⅛	48⅛
Penney Jc Global Fin	17 Feb 1994	$ 250	1982	18⅛	46⅛
Pepsico Capital	4 Feb 1992	$ 100	1982	26	57
Pepsico Capital	2 Mar 1994	$ 125	1982	18⅛	47⅛
Philip Morris Credit	22 Feb 1993	ecu 130	1985	53.70	54⅛
Philip Morris Credit	8 Jan 1994	$ 200	1984	32⅛	44
Prudential Realty Sec	15 Jan 1997	$ 346	1984	20.85	30⅛
Redland Finance	25 Apr 1997	1 80	1984	40	48⅛
Reynolds RJ O/s	19 Feb 1992	$ 400	1982	25⅛	54⅛
Sears Overseas	18 Feb 1992	$ 400	1982	24.72	56⅛
Sears Overseas	27 May 1994	$ 400	1982	22⅛	47
Sears Overseas	12 Jul 1998	$ 500	1984	20⅛	30⅛
Swedish Export Credit	10 Mar 1994	$ 200	1982	19.70	48⅛
Swedish Export Credit	11 Sep 1994	$ 250	1984	32.925	45⅛
Swiss Bank Corp	14 Nov 1997	$ 400	1984	25	35⅛
Wells Fargo Intl Fin	4 Feb 1988	$ 125	1982	44⅛	81⅛
Xerox Credit O/s Fin	11 Feb 1992	$ 250	1982	25⅛	57⅛

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A Monthly Report for the International Investor

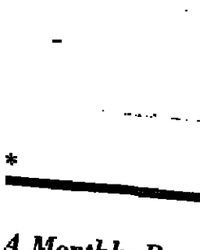
Herald Tribune. INTERNATIONAL

Monday, February 10, 1986

PERSONAL INVESTING

FOCUS

Currency Alignment: The Suspense Builds



The dollar has enjoyed undivided attention since the Group of Five industrial nations announced last September their resolve to bring the value of the U.S. currency down to more acceptable levels. Every subsequent movement has been predicted, chronicled and analyzed. But serious investors also scrutinize the effect of the dollar's movements on other currencies, loathe to be taken unaware by shifts in cross rates, as the exchange rates among non-dollar currencies are called.

Speculation is building that the eight currencies bound together in the European Monetary System are due for a realignment. This would hardly have been as noteworthy a couple a years ago when the EMS was characterized by adjustments so frequent that attempts at economic cooperation by such fiercely independent governments seemed comic. But low inflation, due largely to softer oil prices, and convergent fiscal policies have made the past two years a season of relative economic calm on the continent. There have been few serious signs of dissent, and no general realignments, since March 1983.

TALK about a realignment actually began with the G-5 meeting last fall. Europe's strongest currencies, the Deutsche mark and the Dutch guilder, are natural havens for traders shedding dollars, and they float up with any dip in its value. Fears that European parities would be strained, even after the dollar's 16-percent fall, have proved unfounded. But the French are worried that the franc's rise against the dollar will hurt their exports, and the West Germans, enjoying sustained growth and low inflation, seem willing to take on a revaluation.

The mood is decidedly different from the last realignment. In 1983, France and West Germany, traditional allies in economic matters, fought bitterly over the size of their respective devaluation and revaluation. France eventually won a smaller adjustment, which was easier to defend domestically, but agreed to impose severe monetary restrictions on its citizens.

France seems to be key to the next realignment. Most currency experts expect that exchange rates will not be adjusted until after the French legislative elections next month, and some even doubt that they will be altered then. "If the (ruling Socialists) win, why should it devalue?" asked Robert Lenselink, an economist with the Algemene Bank Nederland in Amsterdam. "It is not a necessity. French fundamentals have improved," he said. But if the right wins a majority as expected, "the new government will give a sign for realignment and blame it on" their predecessors, Mr. Lenselink predicted.

Currency analysts who subscribe to this scenario expect the realignment to occur in April or May. They forecast a 3- or 4-percent drop for the French franc and the Irish punt, while the Deutsche mark and Dutch guilder will rise by a similar percentage. Belgium's franc, the Danish kroner, and the Italian lira are expected to fall somewhat less than the French franc against the mark, or perhaps remain stable.

DAVID Rolley, director of financial analysis at Chase Econometrics, expects a realignment to consist of a revaluation of the Deutsche mark and guilder and a drop of the punt and the lira, bypassing the political problems inherent in a French devaluation. "We don't expect the French to do anything," he said. Debra Riebman, an economist with Wharton Econometrics' Foreign Exchange Service in Philadelphia, does not expect a realignment at all. Instead, she forecasts a unilateral devaluation of the lira by 4 to 6 percent this summer.

Ms. Riebman's forecast is reminiscent of the most recent EMS adjustment, when the lira was unilaterally devaluated by 7.8 percent last July. Analysts say that a devaluation of the French franc also was desirable last summer, but was not attempted because it would have been politically unpopular. "As long as the dollar was strong, it wasn't so much of a problem for France, which is competitive in many dollar markets," said Stephen Marris, an economist with Institute of International Economics in Washington.

Unlike its neighbors, Britain has yet to subject sterling to the restrictions of EMS membership. And as late as last month, Prime Minister Margaret Thatcher continued to voice her opposition to EMS membership, at least for now. But with the pound under pressure from falling oil prices, some currency experts say this would be an opportune time to join. □

Leslie Whitaker

UPDATE

The Goldbugs Return To the Fundamentals

AFTER a dizzying climb that sent prices to an 18-month high in January, goldbugs seem to have had the rug pulled out from under them. Prices have settled back to more sobering levels and the talk of a sustainable rally that emerged when prices topped $360 an ounce is subsiding.

Analysts blame last month's market surge on a mystery buyer who has been varyingly identified as some Middle Eastern sheikh or the Sultan of Brunei. "The market got out of control as the rumors began to attract speculators," says Michael Coulson, a gold specialist with Phillips & Drew in London. "As the rumors died down so did the speculation."

In the absence of such distractions, the market is once again looking at such fundamentals as low inflation and the decline in oil prices. Some observers are wondering whether gold may slip through the $300 barrier in the next few months. Mr. Coulson puts the downside limit at about $280 and sees little likelihood that prices will get above $360 this year.

Alan Davidson, a metals analyst with Shearson Lehman Brothers in London, is more optimistic. The fall in oil prices, he says, could lead to some economic turmoil for major producers and their creditors and prompt investors to seek a haven in gold. He sees prices trading in a narrow range of $308 to $335 and says he thinks it could move to $400 a ounce later in the year. □

John Meehan

Why Market Barriers Are Falling

Deregulation is taking hold, but investors still face obstacles.

By Lynne Curry

London

FOREIGNERS are prohibited from directly owning stock in a Brazilian company. In Stockholm, bonds are off limits to non-Swedes. And on the Bombay stock exchange only Indians, Sri Lankans and Bangladeshis are permitted to trade stocks. Although the "internationalization" of financial markets has emerged as a central theme in today's investment environment, obstacles continue to plague both institutions and individuals. To be sure, the world economy has witnessed a major shift in the rules governing the movement of investment capital across international borders. From Western Europe to Singapore to Mexico City, the barriers gradually have been coming down.

"There is an internationalization generally of the whole investor game," said Robert Rawe, director of European investment at Baring Brothers, a merchant bank. "There is a distinct trend by the institutional investor toward the internationalization of portfolios to reduce the risk to increase returns. The markets are exposed to the influence of the non-domestic investor. The private investor follows that."

Reality is taking time to catch up to the ideal, however. Despite a freer climate, problems remain. For a variety of political and economic reasons, some governments continue to distrust foreign capital, while others openly solicit outside investment. The degree of openness is far different in North America than it is in Asia. There is even a divergence among European countries and their attitude to foreigners.

Awareness of these differences has taken on a new importance. With European markets receiving a measure of attention once reserved for Wall Street and investment interest growing keener in more exotic climes, investors find themselves facing varying degrees of controls that can range from minor annoyances to major risks. All restrictions, however, ultimately affect the cost of investment.

The trend toward liberalization has been strongest in Western Europe. Ever since the Treaty of Rome was signed in 1962 to provide a framework for greater economic and political harmony, member nations of the European Community have been struggling to open their economies and financial markets. But despite the success of equity markets in Europe, the investment climate varies from country to country.

Perhaps no other development has helped the trend toward liberalization in Europe more than the election of conservative, center-right governments in recent years. They have favored free markets giving a similar overall thrust to EC economic policies in most member countries, according to Fabio Colasanti, an economist with the European Economic Commission in Brussels. The nation leading the way has been Britain. Ever since the lifting of exchange controls in 1979, the Conservative government of Prime Minister Margaret Thatcher has embarked on a series of capital market reforms that have lured an increasing share of international investment capital. Other European nations are clearly envious. Last year's decisions by West Germany and the Netherlands to liberalize their capital markets were largely seen as part of a competitive strategy.

"In a nutshell, the ball has been set rolling by the U.K. liberalizing its capital markets," said Raymond Stokes, an investment manager at Murray Johnstone Ltd., a Glasgow financial consultancy. London is taking business away from other financial centers. They are beginning to realize if you can't beat them you join them."

Not surprisingly, the approach of the "Big Bang" later this year, when the London Stock Exchange adopts a computer trading system and brokerage commissions become negotiable, has some observers wondering whether other European countries will follow suit. "If it happens in the U.K., one of the largest financial centers in the world, it has to happen in Frankfurt, Milan and Paris because they stand to lose their market share to London once it's liberalized," said Nemo Stavrakellis, an economist at Grievson Grant in London.

Also furthering the liberal tend in Europe has been a convergence of economic policies and the subsequent reduction in budget deficits and inflation. This has enabled France to make an about-face in its attitude toward capital restrictions in the past few months. Faced with excessive inflation and gaping deficits, the Socialist government of President François Mitterrand imposed severe exchange controls in 1983 to prevent French nationals from exporting francs.

Last December, however, with the economy much improved, Mr. Mitterand lifted most of the regulations. He even allowed French nationals to hedge their foreign exchange risks by playing the options and futures markets. Not surprisingly, there even is speculation that the *devise titre*, a premium paid by French residents to buy foreign securities, will be abolished if center-right parties win a majority in next month's legislative elections. "This liberalization has been happening ever since Mitterrand became more Thatcherite than Thatcher herself," said James Taylor-Dickson, head of the investment department in London of Société Générale.

While exchange controls clearly are on the wane in *Europe, foreign investors still face restrictions when it*

(Continued on Page 10)

The Miracle In Milan: Can It Last?

By David Tinnin

Milan

WHEN a market more than doubles its value in a year, investors have good reason to wonder whether it can sustain the performance. That is the big question in Milan, where the key Banca Commerciale index stands at about 125 percent of its level 13 months ago.

Despite signs that some of the big foreign institutional investors are beginning to take profits on their Italian holdings, the answer seems to be a resounding "Si." Last month, when the rallies on some continental European bourses sputtered after Wall Street's correction, Milan moved ahead about 5 percent. There even is heady talk among some portfolio managers that Italy will retain this year the distinction it won in 1985 by outperforming all other European stock markets in local currency terms.

Milan's move from backwater market to center stage has been fairly recent. In 1981, the market was in shambles after a price breakdown that accompanied the collapse amid scandal of the Banco Ambrosiano. Insider trading was so rampant that even officials charged with regulating the stock market were said to engage in it. It became clear that reforms were in order if the integrity of the financial system was to be salvaged.

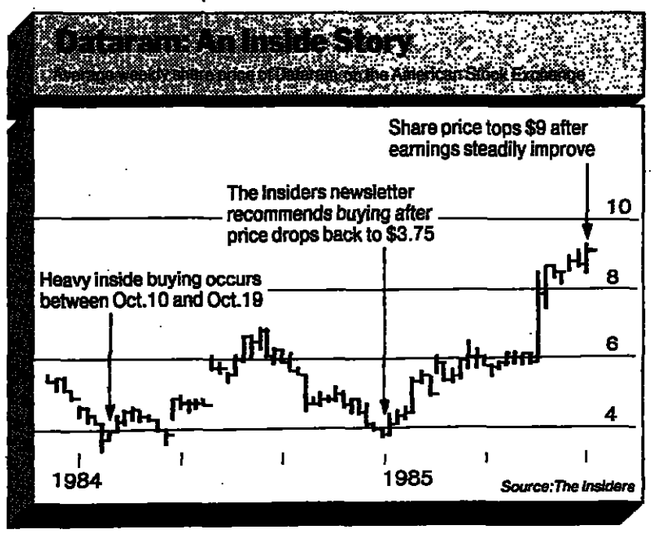
The government's response was a series of innovations, including mutual funds and fresh incentives for Italian companies to tap the stock market for funds. The changes came along just in time to catch the wave of enthusiasm for international equities and a period of dollar strength that made European equities seem like bargains.

Despite the market's success, serious structural problems remain. As in other smaller markets, there are comparatively few shares available for trading in some of the most sought-after companies. More troubling is the archaic system of settling transactions, which have nearly ground to a halt. The delays have been especially nettlesome for the big foreign institutional buyers, which, by some estimates, own about 15 percent of Italian shares.

The problems have worsened as the big foreign investors have moved to cash in their profits. Officials at Sige, a major Milan brokerage, estimate that portfolio managers of funds that focus on European shares have reduced their Italian exposure to an average of about 9 percent of total holdings from a high of 15 to 20 percent. But even fund managers stress that this reflects profit-taking rather than a change in sentiment about Milan's prospects.

There still appears to be plenty of cash around to *fuel another rise. Italians are fond of noting that their*

(Continued on Page 10)



Using Insider Trades To Target Hot Stocks

By Betty Marton

New York

MENTION insider trading and investors think of a shadowy transaction. A senior executive trading corporate secrets for gains on the stock market is the common image called to mind. Yet for many *investors the trades of corporate insiders* are less a matter of ethics than a useful tool in gauging market sentiment and predicting the fortunes of individual stocks.

Over the years, insider trading has spawned a number of investment guides and mutual funds that analyze and make predictions based on the trades by insiders — officers, directors or anyone who owns at least 10 percent of a company's stock. These individuals are required to report their transactions to the Securities and Exchange Commission, which discloses the details to the public. Although few professionals claim that tracking these trades is *the surest path to riches, many* acknowledge that stocks bought by insiders consistently beat the market. And various academic studies over the years seem to lend support to this view.

"Obviously, the president of a company knows more about his company's prospects than could possibly be quantified or publicly disclosed," said Glenn K. Parker, publisher of The Insiders, a weekly newsletter based in Fort Lauderdale, Florida, that tracks inside trades.

Dataram Corp., a small New Jersey software maker, is a typical example of how insider watchers operate. Norman G. Fosback, editor of The Insiders, first wrote about the company in December 1984 after learning of a series of insider purchases in the previous October. The first occurred Oct. 10 when, Mr. Fosback said, Frank Kardashian, Dataram's treasurer, bought 1,000 shares at an average price of $3.75. This soon was followed by other insider buying, including the purchase of 5,500 shares between Oct. 17 and Oct. 19 by the company's president, Robert V. Tarentino, according to Mr. Fosback.

To an outsider, the buying may have seemed puzzling. The company appeared to be in a slump, and in the fiscal quarter ended July, 1984, Dataram posted a loss of $1.10 a share, according to Mr. Fosback. As it turned out, the company's fortunes soon changed. In the quarter that ended Oct. 31, just after the insider buying, the company had a profit of two cents a share. Over the next two quarters, earnings improved to 55 cents a share. The Insiders held off recommending the stock until June 1985, when the price slipped back to $3.75, the average price that the insiders paid. Since then, the price has topped $9 a share.

Based on insider trading over the last three months, The Insiders currently is giving a strong recommendation to City Federal Financial, Miami Citizens Bank Corp., CleveTrust Realty, Windmere and Basix.

The verdict is still out on what the new year's most recent insider activity is signaling for the entire market. Buying activity among insiders began cooling down considerably just ahead of the market correction in early January. But analysts are

(Continued on Page 12)

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BOURSES

Amid Settlement Snags, Milan Keeps Moving

(Continued From Page 9)

private savings rate is higher than that of Japan. And Italians are virtually prohibited from investing abroad, which has tended to channel excess funds into the stock market. These days, the favored vehicles are the mutual funds that were launched in 1984 and now number about 41.

Since their inception, the funds have collected the equivalent in lira of $16 billion. About one third of that sum has flowed into the Milan stock market and contributions to the funds are rising sharply. By some estimates, the amount of money that flowed into the funds last month equaled the total for all of the fourth quarter.

Another source of investment funds is Italian insurance companies, which have begun selling highly popular individual pension plans. The insurance companies are pumping part of the premium proceeds into the market.

While the success of the mutual funds and insurance plans has been widely noted, a less-discussed force behind Milan's climb has been the improvement in corporate balance sheets. The market explosion has allowed companies to raise large amounts of capital on the stock market and to reduce costly bank debt. This has helped the bottom line of many Italian companies.

"What we are witnessing," explained Edi Cetin, the chief analyst at Sige, "is the creation of virtuous circle, in which a rising market enables companies to raise new money both to retire burdensome bank loans and finance expansion."

Roger Hornet of James Capel & Co., the British brokerage, is encouraged by the developing interplay between the Milan market and the financial structure of Italian companies. Mr. Hornet, who was an early booster of the Italian market, believes that Milan can "be one of the world's best-performing markets again this year — partly because of the increase in corporate rights issues."

The Italian government already has taken advantage of the situation to privatize portions of the huge state-owned enterprises. It has sold shares in a handful of companies such as Sirti, a telecommunications equipment maker, and Siapem, an oil and pipeline outfit.

Next, the government is expected to put on the market a chunk of Alitalia, probably in the form of ordinary shares.

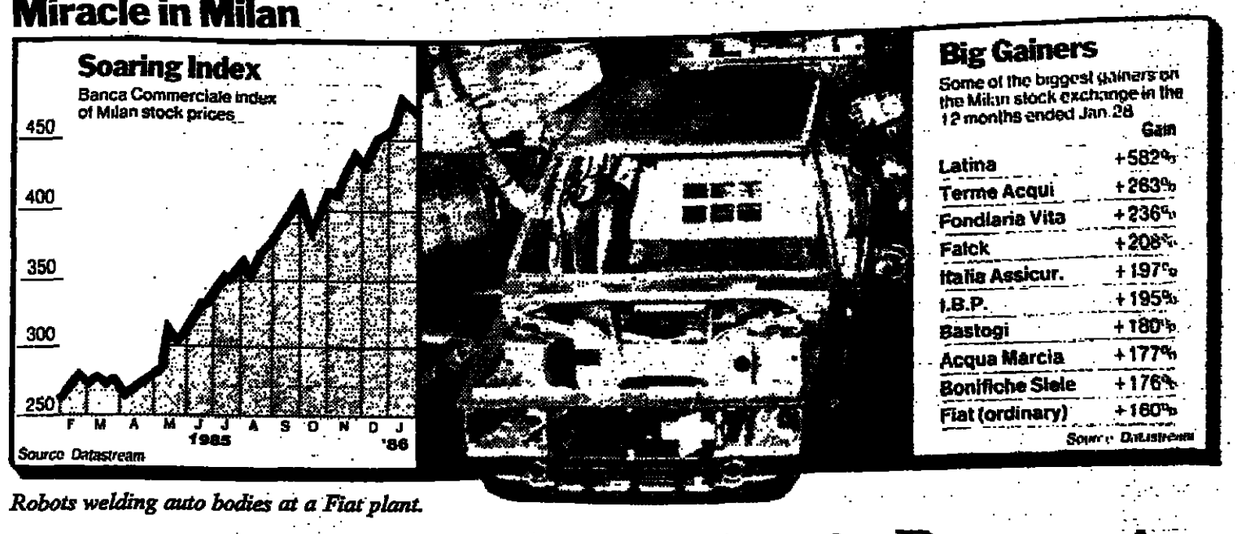
In the private sector, Italy's industrial baronies are undergoing restructurings that will result in new offerings. The huge Fiat empire, controlled by the Agnelli family, is selling off 25 percent of their holdings in each of several smaller operations. Those include Sorin, a leading Italian bioengineering and diagnostic company, and Snia, a maker of launch fuel for the European space program. Later this year, privately owned Benetton, an international powerhouse in ready-to-wear clothing, is expected to offer shares to the public.

Fiat itself remains a big favorite for 1986. Other frequently mentioned favorites include Mediobanca, a leading investment house; Farmitalia, a drug maker, and two leaders in the high-flying insurance sector, Generali and Ras.

By contrast, Olivetti, the computer and office equipment group, is regarded as unlikely to outperform the market and is recommended usually as a medium- to long-term investment.

If the market does live up to expectations, stock market officials will have to act fast to solve the settlement problems.The exchange relies upon an archaic procedure of transfer and registration that entails the physical delivery of stock certificates and inscription of the names of the new owners. Under the burden of ever-increasing volume, the clerical staff has been swamped. "The structure of the market must be modernized," warns Umberto Verechondi Scortecci, the chief of Citicorp's Capital Markets operations in Milan. "Transfers of title are being delayed by six or seven months." □

Miracle in Milan



Robots welding auto bodies at a Fiat plant.

Europe: Putting the Optimism in Perspective

By Edward Rohrbach

Paris

MILAN is not the only European market where the lofty level of share prices has raised the question of how much punch is left in the rally. While few analysts doubt that 1986 will be another high-flying year for the continental bourses, some long-time observers of these markets are beginning to warn of the occasional downdraft, such as the one that followed Wall Street's correction last month.

Quick changes in sentiment can be troublesome for investors in these markets, largely because of their small size when compared to the exchanges in New York, Tokyo and London. When demand shrivels, buyers can be scarce, making it difficult to cash in profits, professional investors warn. Some professionals are seeing signs of a speculative excesses in the continental bourses and are standing pat until the markets settle down and, in some case, are even taking profits.

Hans Van den Berg, senior portfolio manager at Amsterdam's Pierson, Heldring & Pierson, says he recently was called by a broker and offered eight reasons to buy the stock of West Germany's Dresdner Bank, even though the shares had rocketed 40 percent toward the end of 1985.

Increasingly, shares are being sold on the basis of earnings projections for "the years ahead," he said, which is a departure for the normally cautious Swiss and West Germans. Some shares have risen to the point that their prices appear to have already taken into account the most optimistic scenarios for profits. "A lot of good news is being discounted," Mr. Van den Berg says.

Partly for these reasons, he says that the firm has begun to take money out of the European markets and put it into the United States. It reverses a focus emphasizing Europe going back three years, he says.

Mr. Van den Berg says that his firm has reduced its positions in such West German stocks as Dresdner Bank and Commerzbank. Holdings of European chemical companies also have been cut back, including positions in BASF, Akzo and Schering. In the chemical sector, this move was based

AP

Glenn Wellman

partly on the view that a weaker dollar would help U.S. firms compete better on product prices.

Despite the caution, he expects Europe to have a good year. Discussing markets in West Germany, Holland and Switzerland, Mr. Van den Berg forecast that they will be only 10 percent higher this year compared with the mammoth gains of 1985. Italy should be Europe's star performer in 1986, he says, with France strong again, helped by an expected center-right victory in the legislative elections in March.

Glenn Wellman, managing director of Alliance Capital Management International in London, says "obviously we've given thought to the fact European markets have gone up so far so fast." But he notes that at a recent investment policy meeting, it was decided not to reduce the weighting in European markets. The firm owns $700 million in non-U.S. stocks. Those shares advanced 65 percent in dollar terms in 1985, with currency gains accounting for a third of the profit.

The continued optimism, he says, stems the momentum of the European economic recovery, particularly in West Germany. At the end of last month, the Bonn government forecast inflation-adjusted growth of 3 percent in 1986, which would be the German economy's best performance in six years.

The question, though, is whether stock prices in Frankfurt and elsewhere in Europe already reflect this bouyant outlook. Using an analysis based on measurements of companies' cash flows (profits plus depreciation), Mr. Wellman believes European shares still look like good values when compared with those on U.S. or Japanese exchanges.

He also likes the revival of domestic interest in European equities, especially by the countries' own insurance companies and pension funds, and "the continuing flow of funds from the United States."

American institutional investors apparently have overcome or forgotten the experience of Boston-based mutual funds in the early 1960s, Mr. Wellman says. Attracted by the West German "economic miracle," the funds poured money into the Frankfurt exchange, but ended up bailing out of the market at losses when foreign investors began to move funds elsewhere.

While Mr. Wellman acknowledges that European markets look "overextended short term" he thinks they have settled down from the period earlier in the year.

LESS sanguine is the view of Merrill Lynch's Robert Farrell, who recently completed a European tour. "The evolution of the runup in terms of investor confidence and sentiment is well ahead of Wall Street," he concludes. "It looks like European markets are not that far away from a peak, followed by a sharp reaction."

A respected technical analyst, Mr. Farrell can tick off several signs of "excesses" that typically signal that a rally is nearing its top. These included repeated new highs in trading volume on European exchanges, extensions of exchange business hours, and difficulty in executing purchase orders because prices are jumping so quickly.

Mr. Farrell contrasted this "growing ebullience" in Europe towards stocks with the "American psychology...where the worry is that the market will go down" from its own recent all-time highs. □

Deregulation Pushes Exchanges to Compete for Investors

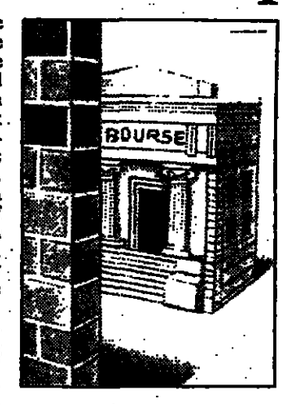
(Continued From Page 9)

comes to buying securities. These tend to take the form of certain classes of shares reserved for foreigners, or quotas imposed on the amount of securities held. Both are aimed at limiting the leverage of foreign shareholders.

For instance, Swiss companies issue three categories of stock: registered shares available only to Swiss nationals, bearer shares issued both to foreigners and Swiss, and participation certificates, which are cheaper than bearer shares and have no voting rights. A sub-class of bearer shares called "baby" shares also is available. This has one-tenth the voting power of the bearer shares and is one-tenth the price. Companies keep control in Swiss hands by issuing more registered shares.

The most active trading tends to be in full bearer stocks and "baby shares" because the registered shares usuall are held by Swiss institutions.

The rules are even tougher in Scandinavia. Swedish companies issue two kinds of shares: free shares which either have no vote or limited voting rights and are available only to foreigners, and restricted shares held by Swedish nationals. The Swedish Riksbank currently determines on a case-by-case basis the volume of shares companies can sell to foreigners. The upper limit is 20 per cent of a company's votes or 40 per cent of a firm's equity. But this regulation is expected to be eased slightly, with the Riksbank automatically granting approval for these amounts to be sold to foreigners.



Sweden does not allow foreigners to purchase bonds. "Investing in bonds is a couple of years off," said Eric Wenngren, equity researcher at Enskilda Securities, a British subsidiary of the Stockholm-based Skandinaviska Enskilda Banken. He said that the Swedish government was concerned that heavy foreign participation would lead to greater volatility in the market.

Finland and Norway also have quota restrictions for foreign shareholding. And, like Sweden, Norway's bond market is closed to foreigners. In 1983, the government raised the limit foreigners could invest in equities from 100,000 Norwegian kroner to one million. However, in 1984, it closed the market to foreigners because it received such an influx of capital that it did not need any addition to its already substantial oil revenues. But with both the price of oil and the value of the dollar coming down, Norwegian oil revenues could be drastically reduced, according to Arne Brakstad, a financial analyst at Den Norske Creditbank in Oslo.

Varying policies also may be confusing to investors shopping for opportunity in Asia. Foreigners face no restrictions in Hong Kong, Malaysia, Singapore and Australia. These countries traditionally have welcomed outside capital. Japan, by far the biggest attraction in the Far East, also is remarkably free of controls. Foreign stock investors, however, are not permitted to trade on margin and must settle immediately. Moreover, a small number of stocks, primarily related to the defense industry, have quotas for foreign shareholdings. The limit usually is 20 percent.

Some of the greatest obstacles to foreign investment can be found elsewhere in Asia. Foreign investment has all but dried up in the Manila and Makati stock exchanges since the Philippine central bank suspended foreign exchange trading in 1983. In South Korea and Taiwan, direct ownership in domestic stock by foreigners is prohibited, limiting investors to a handful of mutual funds that have negotiated agreements to deal in those exchanges.

Investors in Thai securities are likely to confront currency problems. Because foreign currency is exchanged only through the Bank of Thailand, there frequently is a delay of several weeks when a foreign investor sells stocks and tries to repatriate funds. "Officially this takes three to four weeks, but delays up to two months can occurr," said Julian Beare, assistant director of the international division at Hoare Govett in London. "In the last few months, the Thais have been nervous about their economy and are holding on to their foreign currency."

There are signs of change, however. The need to maintain the pace of development plans in the face of slower economic growth has forced a number of smaller nations in Asia to create a warmer environment for foreigners. Burdened with a heavy debt, the Seoul government is looking for ways to lure capital into the private sector and has plans to allow foreign investors to buy convertible bonds issued by South Korean companies abroad.

India, which restricts access to its markets to investors of Indian origin and from neighboring Bangladesh and Sri Lanka, also is studying possible reforms. Analysts belive that the limitation may eventually be lifted as Prime Minister Rajiv Ghandi considers moves to internationalize the Bombay stock market and other regional exchanges. Merrill Lynch is holding discussions with the Indian government to establish a mutual fund of Indian stocks available to foreigners. □

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BOURSES

Brokerages: Cashing In on the Market's Middlemen

By William McBride

New York

WHEN stock markets boom, so do the share of brokerage firms. Many investors figure there is no better way to cash in on a bull market that betting on the firms that deal in shares.

"It's an emotional sector," acknowledges Lawrence Eckenfelder, a San Francisco-based analyst for Dean Witter Reynolds who tracks the securities industry. True to form, investors have bid up the shares of U.S. securities firms over the last several months as stock indexes set records and trading volume swelled. American Express, parent company of Shearson Lehman, has soared 27 percent in the last three months, and Merrill Lynch, which was the focus of takeover talk, is up 24 percent. Adding to the interest has been a series of initial offerings by some of the best-known names on Wall Street.

The surge in prices means bargains in the group now are harder to come by, its followers acknowledge. Still, 1986 earnings are likely to be stronger than last year and the sector could outperform the market as a whole, says Rodney Schwartz at Paine Webber. "The comparisons will be very strong," he predicts.

Even so, picking the standouts will not easy. The arrival of the so-called financial supermarkets and the movement of many big name firms from partnership structures to heavily capitalized public companies have added to the complexity of the industry. Samuel Liss of Salomon Brothers, a unit of Phibro-Salomon, notes that "the choice is much more visible, the diversity is greater."

Understanding the changes in the ways that the key players in the sector make money is crucial, say the professionals. Increasingly, investors are drawing distinctions among firms based on the extent of their dependence on the business of individual investors rather than institutional clients, such as pension funds and banks. Other important factors are the degree of involvement in investment banking activities, the sophistication of trading techniques and the ability to generate new financial instruments.

Phibro-Salomon and First Boston, two big institutional brokerages, are widely recommended as solid, long-term plays. Salomon is regarded as a consummate trader that makes use of advanced hedging strategies to deal in large blocks of stocks and bonds. Both Salomon and First Boston are active underwriters of corporate securities, an area that industry observers expect to remain active in 1986. With the recent takeover wave, First Boston has racked up huge fees advising on mergers and acquisitions.

Merrill Lynch, American Express, Paine Webber and E.F. Hutton fall into another broad category. Though all these firms are beefing up their institutional trading and underwriting activities, a substantial portion of their revenue still flows from the business of individual clients.

In general, the share prices of these retail-oriented firms tended to ride upward when stock volume soared and individual investors were believed to be active in the markets. Their earnings also were volatile, which largely reflects problems of cost control. When business was good, the firms laid on staff and resources that were not easily shed when investor enthusiasm cooled.

A classic example occurred in late 1983, when individual investors deserted the market, causing many of the firms to post sharp drops in profits during 1984. That experience has prompted many of the firms to adopt tougher controls. "These companies have really tightened up on costs," affirms Mr. Schwartz.

Of the group, Paine Webber may still "offer some surprises" in 1986, Mr. Eckenfelder says. The firm has cut back on branches and added to its investment banking staff, he says. As for Merrill and Hutton, both are making costly moves into new headquarters, he notes. The takeover talk about Merrill "has largely died out," says Brenda Davis of Mabon, Nuget & Co.

The sharp runup in American Express has left opinions divided. Mr. Schwartz of Paine Webber still favors the shares. But Ms. Davis is cool: "At these prices, I would not be a buyer."

MS. DAVIS is more enthusiastic about Jefferies Group, a smaller, specialty brokerage that deals only with institutions. The firm is bouncing back from a third-quarter loss, she explains. Another favorite in A.G. Edwards, a St. Louis-based regional brokerage that is regarded as having a base of loyal individual customers. Ms. Davis terms Edwards a shorter term play on the market.

Overall, the key to profitability for the bigger retail firms will be their continued efforts to control costs, improve their trading expertise and widen their investment banking activities, industry observers say. Few followers of the securities business are counting on the return of the individual investor. "There hasn't been a whole lot of business in the retail area for the last 18 months," notes Mr. Liss.

Instead of buying shares directly, individual investors have bet on the market by putting their money into mutual funds. Last year, net purchases of mutual funds tripled to $78.5 billion.

Such industry trends seem likely to insure that the earnings of the retail-oriented firms will remain more volatile than those of the institutional firms. Mr. Liss of Salomon says that the more savvy investors are beginning to approach the two groups differently, using retail-oriented shares for shorter term plays on the market and regarding the institutional firms as better longer term investments.

One theme that is cutting across both group is the internationalization of the markets. Mr. Liss says one of the things that investors are taking a closer look at is which firms will have the ability to operate in several markets worldwide, both as a trader and issuer of securities.

The high costs of going international was one reason cited for Morgan Stanley's decision last month to offer shares to the public. Morgan Stanley and Merrill Lynch were among the six foreign firms to be awarded a seat on the Tokyo Stock Exchange last year. Virtually all the the major U.S. firms also are expanding their activities in London.

So far, interest in the Morgan Stanley offer has been "extremely high," says Ms. Davis. And Mr. Eckenfelder notes: "It's a classy name." □

Earnings Outlook

Consensus estimates of 1986 per-share earnings for selected U.S. securities firms as of Jan. 31. Compiled by Institutional Brokers Estimate Systems, a service of Lynch, Jones & Ryan.

	1986	1985
Phibro-Salomon	$4.39	$3.85(a)
First Boston	$4.52	$4.07
Merrill Lynch	$2.56	$2.26
Paine Webber (b)	$2.30	$1.70
E.F. Hutton	$2.95	$1.63
American Express	$4.56	$3.55

(a) Estimate (b) Fiscal year ends September

AP

A customer checks a quote at a Merrill Lynch office.

FUNDS

Strong Trends Boost Commodity Funds

By John Meehan

New York

COMMODITY funds in the United States overcame weak oil prices and a listless metals market last year to post their best performance since 1980. On average, publicly offered funds generated a return of 15.2 percent compared with 1984's 12.4-percent gain, according to Managed Account Reports, a Columbia, Maryland-based newsletter that tracks the funds.

It was the second consecutive year that the publicly offered funds showed a positive return, and pointed to a turnaround for the industry, which has had difficulty adjusting to the weakness in commodity markets in recent years. After average returns topped 40 percent in 1979 and 26 percent in 1980, fund performance trailed off dramatically and reached a low point in 1983 when the funds suffered an average loss of 14 percent.

As was the case in 1984, last year's solid showing had little to do with commodities. The funds, which trade futures contracts, scored their biggest gains from financial futures. Most of the profits came in the final quarter as the futures market came alive, the stock market rally gained momentum and the dollar retreated after Western financial officials from the Group of Five announced Sept. 22 their intention to lower the value of the U.S. currency.

In response to these developments, fund advisers took long positions on stock market indexes and foreign currencies. They also shortened their positions in interest rate futures, betting that rates would continue to decline.

"All three areas were very profitable for us," said Christopher Funk, who manages 80 percent of the equity in Thomson Financial Futures Partners 1, the best performer for the second straight year with a gain of almost 90 percent.

Prior to these developments, commodity funds appeared headed toward a fair, but uninspired year. Aside from a few short-lived movements, such as the rally in coffee prices, there were no sustainable trends in the futures market. And trends are what drive the funds.

A majority of commodity fund advisers are so-called "technical trend followers" who eschew economic fundamentals. Instead, they use complex computer models to identify price trends — either up or down — in the futures markets and trade accordingly.

Most funds stumbled badly just after the G-5 announcement. In the weeks ahead of the meeting, fund advisors began shortening foreign currency positions as the dollar began moving higher. But when currency trading resumed on the Monday after the meeting, the dollar fell steeply. The average fund shed almost 9 percent of its net asset value in September. "All but a very few number were hit hard by that," said Morton Baratz, editor of Managed Account Reports. "It took a day or two for the funds to swing around their positions."

Since the start of the year, most fund advisers have continued to focus on financial futures, betting on additional gains in the stock market and a further decline in the dollar. Some have adopted a neutral position toward interest rate futures, believing that the downtrend in rates has halted.

The outlook for physical commodities remains bleak. Aside from oil, Keith Campbell of Campbell & Co., a Baltimore-based commodities fund adviser, sees little likelihood of a significant trend. "Gold was in an uptrend, but now it seems to have stalled," he said.

Whether two consecutive years of good returns will help commodity funds regain the stature that they once enjoyed is uncertain. The funds, which are set up as limited partnerships, first gained prominence in the late 1970s when rising commodity prices enabled them to reap big returns. But investor interest has waned considerably as a result of lagging returns.

Some industry insiders are hopeful that the funds may win back their following. "There has been a palpable resurgence of interest in managed (futures) accounts," Mr. Baratz observed. "Surely if we get another good year, we're bound to see more investor interest." □

Top Ten

The leading publicly traded commodities funds in 1985.

FUND	GAIN
Thomas Financial Partners I Thomas McKinnon Securities Inc.	89.6%
Cornerstone Fund III Dean Witter Reynolds	56.4%
McCormick Commodities Fund I McCormick Commodities	47.8%
Matterhorn Commodities Partners Shearson Lehman/American Express	47.6%
Mint Limited Anderson Man Ltd.	42.5%
McCormick Commodities Fund II McCormick Commodities	41.9%
Capital Fund II Campbell & Co., Chicago Corp.	40.3%
Clark Street Futures Fund Becker Paribas	40.2%
Matterhorn Commodities Partners II Shearson Lehman/American Express	39.8%
Collins Futures Fund I Collins Financial Services	35.3%

Source: Norwood Securities

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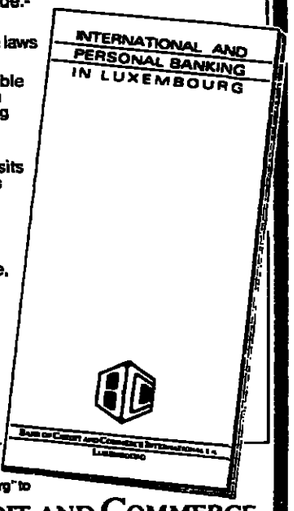

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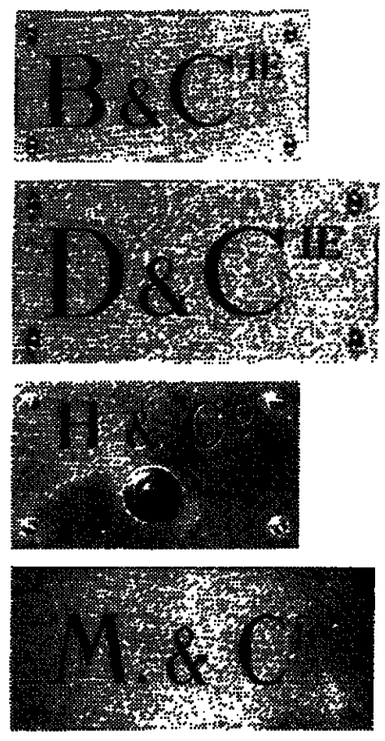

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Tracking Purchases By Insiders

(Continued From Page 9)

quick to point out that the buying pace has merely slipped back to normal.

The average level of buying is 35 percent of total insider transactions, according to Anthony Sorrentino, a market analyst at Standard & Poor's. Last October, he said, the pace of insider buying eached 50 percent of total activity as the market made its dramatic year-end climb. By the end of December, it had dropped to 40 percent.

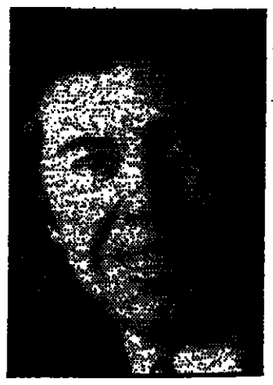
Mr. Sorrentino said that the 40-percent mark indicates that buyers are back to normal trading for this kind of bullish market. But this neutral reading offers little about the future. "We would need to see even greater levels of insider selling before looking for the market to turn down," he said.

Whether an individual can consistently make money by watching insiders is debatable. Studies generally have found that while insiders may earn better returns, there is no indication that other investors can match their performance. Although Mr. Sorrentino believes that insiders usually are correct about the market mood, he still finds that "it's best to use more than one indicator and make decisions based on what a majority of them are saying."

Some observers believe information on insider trades is less productive for individuals than for fund groups that obtain and use the information more cheaply, regularly and quickly than the small investor. Many analysts agree that the more quickly an insider's trade is disclosed, the greater its forecasting value.

Charles Wolf, a professor at Columbia University's Graduate School of Business who specializes in securities investment and analysis, said that this time factor is a significant reason why most insider trading is valuable only to insiders. "Once the information is released publicly," he explained. "It should be captured immediately in the stock price. Somebody may be able to make a few pennies, but they have to act quickly."

Insiders have until the 10th day of the month following the trade to report their transactions to the SEC. Services that analyze insider trading generally collect data directly from SEC files in Washington, D.C., or from the New York and American Stock Exchanges



Norman G. Fosback

rather than wait for the SEC to publish its monthly list. They then relay it to their clients as quickly as possible. "I don't want the stock (price) to run away from us," Mr. Fosback said.

But there are no guarantees that the reports will be timely. Insiders often are tardy in reporting their transactions and Mr. Fosback argued that the SEC has not adequately enforced the deadline. He estimated that from 30 percent to 40 percent of insider trades are reported late.

Still, individuals who think insider watching may be a helpful investment guide should keep in mind some general guidelines that professionals use in interpreting insider activity.

EXPERTS agree that insider buying is a far more reliable sentiment indicator than selling. There are many reasons why an individual will sell stock, ranging from tax considerations to personal need. By contrast, an insider generally buys stock for its investment potential. Moreover, veteran insider watchers generally focus only on open market transactions. Purchases made at a discount through options are not considered a clear indication that an insider is committed to a stock.

Investors also should keep an eye on the size of the trade compared to an insider's total holdings. If the president suddenly doubles the number of shares he owns in his company, it is likely to be a strong buy signal. A minor increase, however, may just indicate a gradual increase in his portfolio.

Analysts also look at the number of individuals buying a stock. The more buyers within a short amount of time, the more weight analysts give to the transactions.

Experts also watch who is doing the trading, reasoning that a company's president is likely to know more about its business than an outside director. □

STRATEGY

Cheaper Oil and Japanese Stocks

THE oil-price slide has sent economists scurrying to raise growth estimates. While much attention remains focused on Europe, "Japan will be the second biggest benefactor from falling oil prices," notes Ullrich Moser, president of ABD International, a fund management firm that is 75-percent owned by Dresdner Bank.

That fact is likely to encourage investors to take a harder look at the Japanese market. Over the last year, many foreign investors have deserted the market, concerned about protectionist pressure on Japanese exporters, the yen and high price-earnings multiples.

While cheaper oil will have a "positive impact on every Japanese company," notes Frankfurt-based Ruediger Ginsberg, who follows Far East equities for ABD, the effects on share prices will be complex. "I hesitate to be too eager to draw direct lines," he says. "It's not a simple piece of mathematics."

The effects may take a while to show up because Japan has purchased oil under long-term contracts at prices well above current levels, he says. More importantly, buoyant shares prices in some groups, such as paper and utilities, have effectively anticipated the declines in energy prices.

Instead, Mr. Ginsberg is concentrating on the "indirect effects." He notes that lower energy prices will bolster Japan's already heavy trade surplus and strengthen the yen. That could revive pressure from Washington for Japan to reduce the trade imbalance.

There is a good chance that Tokyo will cope with that pressure by stimulating its economy, Mr. Ginsberg says. Already, "we've been seeing a nice reduction in interest rates," he notes. On Jan. 29, the Bank of Japan trimmed the key discount rate by a half-point to 4.5 percent.

This scenario fits in with the view that favors Japanese shares that would benefit from expanded consumer spending. Two companies well positioned to profit from such a trend are Marui, a high-quality fashion retailer that sells to women in their 20's and 30's, and Ito-Yokado, one of Japan's top retailing chains, he says. □

William McBride

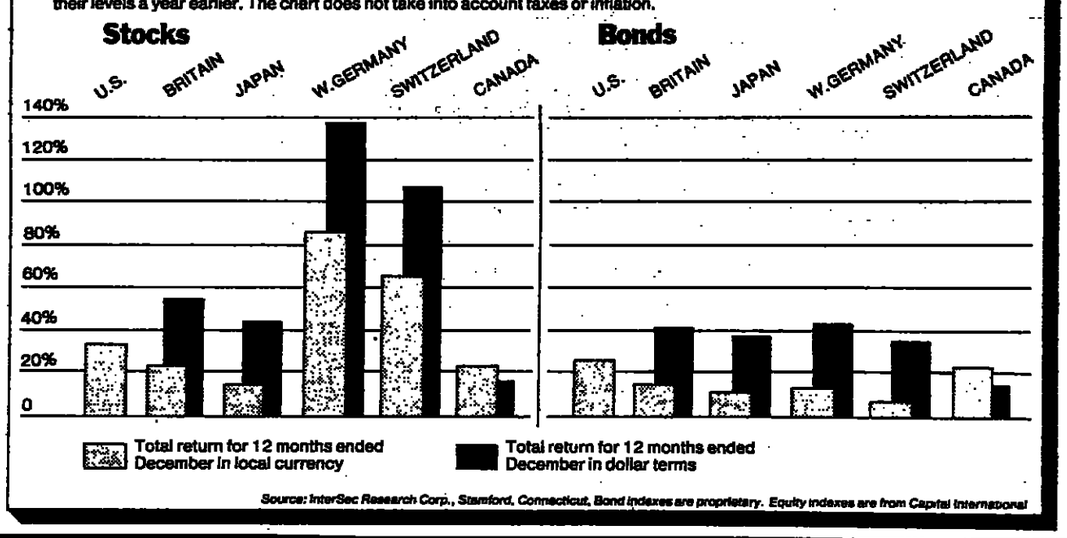
Market Scoreboard

Stocks on the New York, London and Tokyo exchanges that showed the largest percentage gains and losses in January.

	GAINERS: Percent Gain	Price Jan.31	LOSERS: Percent Loss	Price Jan.31
New York Stock Exchange: Compiled by Media General Financial Services. Prices in dollars				
Interlogic Trace	42	15.25	Timeplex	36 14 88
Republic Air	42	15 25	Valero Energy	27 10.00
Gulton Industries	41	33.00	Purolator	27 17 38
Sterchi Bros.	36	32.88	Cullinet Software	26 14:00
Getty Petroleum	35	38.00	Northern Telecom	26 25.88
Soo Line	34	34.50	Armada	24 11.50
Integrated Resources	34	33.13	Frank B. Hall	22 21.25
Gap Inc.	32	41.38	Comdisco	21 22.75
Homestead Financial	31	23.50	Nicolet Instruments	19 12.50
American Family	30	36.00	BankAmerica	19 12 63
American Stock Exchange:				
Aloha Inc.	84	20.25	United Cos. Fin	18 19.38
Wellco Enterprises	47	23.25	Canadian Occidental	18 14 75
Mercury S&L	38	14.88	Martin Process	18 51.50
Tejon Ranch	36	384.00	Met-Pro	17 14.25
Tech/Ops	35	29.13	Scurry-Rainbow	17 13:13
Over the Counter:				
Charter Federal	72	21.50	HBO	43 10.50
Computrac	43	15.50	Sci-Med Life	41 11.00
Codenoll Technology	42	17.00	Daisy System	40 17.75
Great Lakes Federal	42	24.25	Bercor	29 10.25
Beeba's Creations	41	19.75	BancOklahoma	27 12.50
London Stock Exchange: Compiled by Morgan Stanley Capital International. Prices in pence.				
Coats Patons	42	225	Lasmo	24 185
De Beers	33	419	Ferranti	13 126
Rentokil Group	23	169	Dowty Group	11 179
BSR International	22	78	Woolworth	11 470
Hambros	20	218	Storehouse	10 305
George Wimpey	20	144	Tricentrol	9 140
BICC	20	288	Trafalgar House	8 318
Metal Box	18	620	Guinness	8 295
Transport Devel.	18	148	Imperial Continental	8 275
Burmah Oil	15	310	Great Universal (A)	8 752
Tokyo Stock Exchange: Compiled by Morgan Stanley Capital International. Prices in yen.				
Japan Airlines	44	13,200	Japan Line	15 259
Victor Co. Japan	33	2,100	Mitsubishi Trust	12 990
Asahi Optical	26	542	Mitsui Bank	10 951
Danei	25	890	Mitsui Trust	9 880
Ono Pharmaceutical	24	5,000	Mitsubishi Estate	9 1,090
Nitto Electric	20	1,980	Kawasaki Heavy	9 150
Seiyu	19	991	Sumitomo Trust	9 1,000
Seino Transport	18	1,380	Shiseido	9 1,310
Toyo Kanetsu	17	318	Makino Milling	9 895
Wacoal	17	832	Daifuku	9 723

Total Return for 12 Months

Total return measures both the changes in the prices of securities and the income they provide either in dividends or interest. Gains or losses were measured by comparing market indexes with their levels a year earlier. The chart does not take into account taxes or inflation.



Source: InterSec Research Corp., Stamford, Connecticut. Bond indexes are proprietary. Equity indexes are from Capital International

Entrepreneurial Matchmaking in Britain

By Barbara Rosen

London

IN BRITAIN, investors looking for new ways to get in on the ground floor of a venture and budding entrepreneurs searching for seed money have a matchmaker in the Inland Revenue.

Since April of 1983, when the Business Expansion Scheme went into effect, British taxpayers have been able to invest in new common shares in return for some relief on their income tax bills.

The goal was to attract investors who would plow capital into fledgling companies, although new issues from existing companies also qualify. The government sees the program as a way to create jobs and gives a jolt to the economy.

BES offers the chance to invest in all kinds of fun things: a neighbor's back-room computer software venture, a pizza delivery service, a wine bar, an antique business or a chain of health clubs endorsed by beauty queens. And if the choices seem too great or too confusing, there are a number of BES funds that do the deciding.

Companies must be unquoted to qualify for BES investment, so there is more than a small element of risk. And since the amount of relief grows in proportion to your tax bracket, BES may be most appealing to those with higher incomes.

"Ideally, you want to be a top-rate taxpayer," in the 60-percent bracket, earning "probably £40,000 a year upward," said Peter Cooper, a broker at Northcote & Co. of London, who monitors BES plans. "I think it's basically for the well-off businessman who already has his own portfolio and maybe has a bit of cash on the side."

"A lot of the investors are making a quarter of a million pounds-plus a year," said Victor Levy, an accountant with Arthur Andersen in London who gives tax advice to companies that are considering BES issues. "It's pocket money to them . . if it works out, great."

If a taxpayer in the highest bracket — 60 percent — puts £10,000 into a BES company, Inland Revenue reduces his or her taxable income by that £10,000. This cuts the investor's tax bill by £6,000. In effect, the taxpayer is only investing £4,000 net while the company gets the full benefit of the £10,000.

Britons can get tax relief on BES investments of £500 to £40,000 each year.

There are some hitches, of course. The tax relief cannot be claimed until the new company has been trading for four months. And if at any point Inland Revenue finds that the company is not complying with BES rules, it could withdraw the tax-relief status.

Although the tax relief starts in the year in which the investment was made, the shares must be held for at least five years. And there are restrictions on the kinds of companies eligible for BES investment. Those that offer primarily services such as accounting, banking, leasing, or deal in commodities, securities or futures, are excluded.

One new venture, for example, plans to offer health clubs featuring the usual spas, saunas and showers plus such extras as aromatherapy and reflexology. But Miss World Clubs PLC also plans promotions for the three London-area clubs from the reigning Miss United Kingdom, Miss England, Miss Scotland, Miss Wales and, of course, Miss World.

Miss World Clubs' £1.3-million offer was not fully subscribed when it closed Dec. 19, but was above its minimum.

The private offer for 20 percent of Domino's Pizza, on the other hand, was oversubscribed last March, possibly in part because American-style delivery of pizza is a rare thing in Britain.

"We're the first pizza delivery company of any size to open here," said Rumi Verjee, chairman of the holding company.

There also are BES funds for those who would rather delegate the responsibility of choosing the particular investments. Some funds require investment of more than £500 and management fees also are deducted. Sales commission run about 3 percent to 5 percent, and some managers keep the interest from uninvested capital.

Since the first group of BES investments have not yet reached the five-year mark, it is too early to judge how well they are doing. After that limit expires, selling investments may be a problem: companies are allowed to float shares on the Unlisted Securities Market after three years, but there is no guarantee that they will.

In 1984, property development and farming ventures were knocked off the BES eligibility list and there has been some discussion that the Chancellor of the Exchequer, Nigel Lawson, may move to exclude antique, wine and art companies in his proposed budget next month. □

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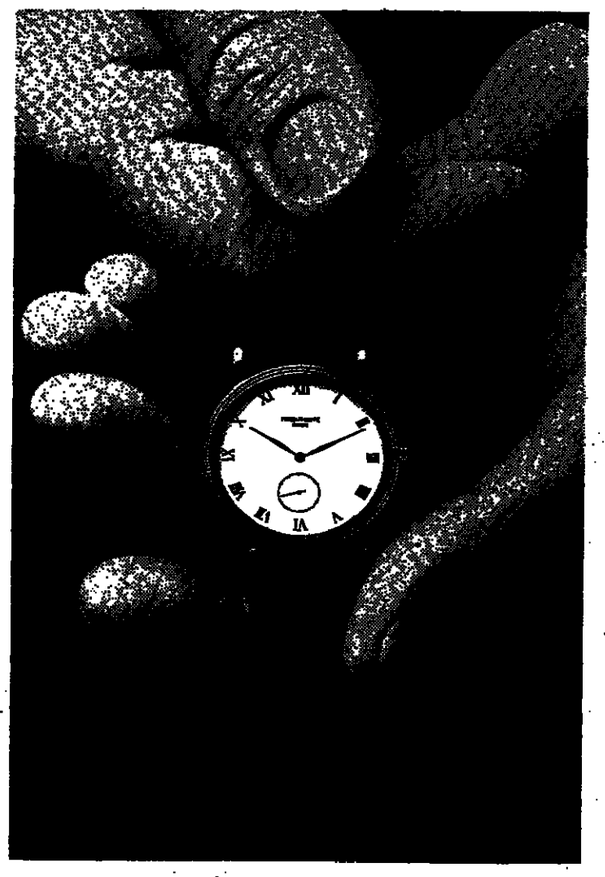

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Sterling Dep.	£	1.005	10.11
U.S.$ Deposit	$	1.069	7.30
DM Deposit	DM	5.180	3.60
Yen Deposit	Yen	526.3	5.91
Sw.Fr. Dep.	SFr.	5.156	3.62
N. American	$	1.36	0.50
Japan	$	2.24	0.00
Pacific Basin	$	1.55	0.00
Intl. Growth	$	1.63	0.60
British	£	1.46	2.00
Sterling Gilt	£	1.08	10.50
Intl. High Income	$	1.03	11.00
Yen Conv. Bond	Yen	1604.00	3.20
European Fund	$	1.29	0.60
ECU. Fund	ECU	1.04	8.50

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New Eurobond Issues

Compiled by Laurence Desvilettes from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Citizen Federal Savings & Loan	$100	1996	0.15	100	99.37	Over 6-month Libor. Callable at par in 1989. Backed 110% by U.S. Government securities. Fees 0.60%.
Société Générale	$270	1993	¼	100	99.05	Over 6-month Libor. Maximum coupon 12%. Callable at par in 1987. Also 300,000 three-year warrants exercisable at 90 into $1,000 notes of noncallable 9% bonds due 1993. Warrants will pay a 5⅝% annual interest. Fees ½%.
FIXED-COUPON						
American Medical Int'l	$75	1993	9⅝	101	98.38	Noncallable. Fees 1⅞%.
Associates Corp. of North America	$100	1996	9½	101	98.13	Callable at 101½ in 1991. Also 1 million warrants, priced at $8 each, exercisable after 1991 into a noncallable 10⅛% bond due 1996. Warrants will pay a 10% annual interest in first 5 years, and will be redeemed at $8 at maturity if not exercised. Fees 2%.
Canada	$1,000	1996	9	100¼	97.50	Noncallable. Fees 2%.
General Electric Credit	$300	2011	8¾	100⅛	96.13	Callable at 100⅛ in 1991 and at par in 1993 and redeemable at par in 1993 when new terms may be set. Fees 1⅞%.
European Community	$100	1996	9⅛	99⅝	97.63	Noncallable. Fees 2%.
Mortgage Bank of Denmark	$100	1991	8¾	101¼	—	Noncallable. Fees 1⅞%.
Saskatchewan	$150	1991	8½	99¾	97.00	Noncallable. Fees 1⅞%.
Japan Electronic Computer Company	DM 50	1992	6⅜	101¾	—	Noncallable private placement. Fees 1⅝%.
National Bank of Hungary	DM 150	1996	7¼	100	97.63	Noncallable. Fees 2⅝%.
Oesterreichische Kontrollbank	DM 150	1991	6⅛	100½	—	Noncallable private placement. Fees 1½%.
Quebec	DM 300	1998	6½	100	99.30	Noncallable. Fees 2⅛%.
World Bank	DM 1,000	2015	zero	16.60	16.60	Yield 6.10%. Noncallable. Proceeds 166 million marks. Fees 0.30%.
Crédit Foncier de France	FF 500	1998	10⅛	99¾	98.25	Callable at par in 1990 and 1993 and redeemable at par in 1993, when new terms may be set. Also 50,000 seven-year warrants, priced at 225 francs each, exercisable into an identical, noncallable bond. Latter bond can be bought with warrants plus host bond during the first 4 years, then with warrants and cash. Fees 1⅝%.
Banque Française du Commerce Extérieur	DK 400	1996	9⅝	100	99.25	Callable at 102 in 1991. Fees 2%.
Bank of Tokyo	C$ 70	1996	10½	101½	99.63	Noncallable. Fees 2%.
Genossenschaftliche Zentralbank	C$ 60	1991	10⅛	100⅝	97.63	Noncallable. Fees 1⅞%.
Ville de Laval	C$ 40	1996	10¾	99¾	96.63	Noncallable. Fees 2%.
Denmark	Aus$ 50	1989	14¼	100⅜	98.63	Noncallable. Fees 1½%.
F Van Lanschot Bankiers	Aus$ 50	1989	14¼	100½	99.13	Noncallable. Fees 1½%. Increased from Aus$40 million.
National Westminster Bank	Aus$ 75	1993	14½	100¼	98.38	Noncallable. Fees 2%.
Philips Industries Holdings	Aus$ 40	1991	13¾	100	—	Noncallable. Fees 2%.
State Bank of New South Wales	Aus$ 50	1993	14½	100½	—	Callable at 101½ in 1990. Also 50,000 warrants, priced at Aus$40 each, exercisable after 1990 into an identical, noncallable bond. Warrants pay a Aus$5.80 annual interest until 1990, and will be redeemed at Aus$20 at maturity if not exercised. Warrants ended the week at Aus$50. Fees 2%.
Toronto Dominion Bank	Aus$ 50	1989	14⅜	100⅜	97.63	Noncallable. Fees 1½%.
Banque Int'le à Luxembourg	NZ$ 50	1989	18	100½	98.50	Noncallable. Fees 1½%.
Canadian National Railway	Y 10,000	1996	6½	101⅛	99.88	Noncallable. Fees 2%.
EQUITY-LINKED						
Burton Capital	$ 80	1991	9¾	125	126.00	Noncallable. Each $5,000 bond with 836 warrants, exercisable into company's shares at 544 pence each. Exchange rate set at 1.385 pound per dollar. Fees 2⅛%.
Calfed	$125	2001	6½	100	—	Redeemable at 123 in 1993 to yield 9%. Convertible into company's shares at $35¼, a 20% premium. Fees 2½%.
Fujikura	$ 30	1991	4¾	100¼	108.00	Noncallable. Each $5,000 bond with one warrant exercisable into company's shares at 376 yen per share and at 191.90 yen per dollar. Fees 2⅛%.
Fujitsu	$200	1991	4⅝	100	105.50	Noncallable. Each $5,000 bond with one warrant exercisable into company's shares at 1,107 yen per share and at 191.35 yen per dollar. Fees 2⅛%.
IBM	$300	1996	6⅜	100	102.25	Callable at 104 in 1989. Convertible into Intel Corp.'s shares at $38½ per share, a 27.3% premium. Fees 2½%.
Mitsui Bank	$100	2001	open	100	98.75	Semiannual coupon indicated at 2⅜%. Callable at 103 in 1991. Convertible at an expected 5% premium. Fees 2½%. Terms to be set Feb. 13.
Thomson Brandt Int'l Finance	$ 50	1996	8	100	102.00	Noncallable. Redeemable at maturity in Thomson-CSF shares at a 1,185 francs per share; a 24.7% premium. Exchange rate set at 7.314 francs per dollar. Fees 2½%. Terms to be set Feb. 8.
Optec Dai-Ichi Denko	DM 70	1991	open	100	107.00	Coupon indicated at 2½%. Noncallable. Each 5,000-mark bond with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2⅛%. Terms to be set Feb. 14.
WARRANTS						
First Boston	0.25	12 mos	—	$17½	—	Warrants exercisable at 101.379 into $100,000 worth of notes of U.S. Treasury's 10-year bond auctioned Feb. 5.
Goldman Sachs	0.25	12 mos	—	$40	—	Put warrants exercisable at 94.695 into $100,000 worth of of U.S. Treasury's 30-year bond auctioned Feb. 6.
Goldman Sachs	0.25	12 mos	—	$35	—	Call warrants exercisable at 101.695 into $100,000 worth of notes of U.S. Treasury's 30-year bond auctioned Feb. 6.
Phibro-Salomon	0.25	12 mos	—	$25	—	Warrants exercisable at 102.75 into U.S. Treasury's 9⅞% bonds due 2006.
Phibro-Salomon	0.25	12 mos	—	$16	—	Warrants exercisable at 101.38 into U.S. Treasury's 8⅞% bonds due 1996.

Bonds React Negatively to Jobs Figures

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Short-term interest rates rose sharply in the credit markets Friday as traders reacted negatively to unexpectedly strong employment in January.

The government report, which showed an increase of 566,000 nonfarm jobs and a drop of two-tenths

U.S. CREDIT MARKETS

of a percentage point in the overall jobless rate, also hurt long-term bonds in early trading, pushing prices down by more than a point.

But prices began to recover as the day wore on. Market participants took a second look at the employment figures and also shrugged off news that a three-judge panel had declared unconstitutional a part of the Gramm-Rudman-Hollings law to balance the federal budget by 1991.

By late in the day, prices of longer-term issues had recovered but were still off as much as half a point from Thursday's close.

"Considering the degree of adversity in the news, I think the market did reasonably well," said Leonard J. Santow, an economist at Griggs & Santow Inc., a financial consulting firm.

In the view of many market participants, the employment figures virtually assure that the Federal Reserve Board's Open Market Committee will take no steps to ease monetary policy when it meets in Washington next week.

That judgment was reflected in short-term Treasury bill prices, which near the close of trading Friday had risen by as much as 18 basis points, or hundredths of a percentage point, on the day.

"For the past couple of weeks, the consensus among analysts about growth in the economy has started to break away from the 2-percent-to-3-percent range and head more towards a 4-percent number," said David Hale, chief economist at Kemper Financial Services in Chicago. "I think these employment numbers mean that interest rates will go nowhere for a while."

Mr. Santow said: "The odds of the Fed doing anything to ease monetary policy at the meeting are slim to none. The economy is firmer and Gramm-Rudman is further off."

But optimism that the Fed might consider a further easing seemed to linger in the federal funds market. Federal funds, the overnight rate charged by the Fed on loans to member banks, traded in a very narrow range and near the close were at 7 11/16 percent.

News of the Gramm-Rudman ruling, which reached the markets just after noon, had only a limited impact.

"The market didn't trade down more than a few ticks immediately after the announcement," said William J. Michaelcheck, a managing director at Bear, Stearns & Co.

In the short-term Treasury bill market, the price of three-month bills rose by 11 basis points, to a bid of 7.17 percent. Near the close, six-month bills were quoted at a bid of 7.23 percent, up 18 basis points on the day.

Yields rose less among longer-term maturities. For example, near the close of trading Friday the Treasury's 9⅝-percent 30-year bonds were offered at 104 30/32, down 13/32, to yield 9.38 percent.

U.S. Consumer Rates
For Week Ended Feb. 7

Passbook Savings	5.50 %
Tax Exempt Bonds Bond Buyer 20-Bond Index	7.73 %
Money Market Funds Donoghue's 7-Day Average	7.41 %
Bank Money Market Accounts Bank Rate Monitor Index	6.71 %
Home Mortgage FHLB average	11.48 %

Banks, Eager for Clients, Improve Their Terms

By Carl Gewirtz
International Herald Tribune

PARIS — There was never any doubt that banks have more money in hand than clients knocking at the door to borrow it, driving the banks to woo business by cutting charges. But Sweden last week demonstrated just how hungry banks are for business.

Sweden had decided to cut its underwritten standby line of credit in half, to $2 billion, and to shave the charges, previously expressable in fraction form of ⅛ percent, to lows that can best be expressed in basis points, or hundredths of a percentage point.

Thus, the previous ⅛-percent annual facility fee (equal to 12½ basis points) was cut to 5 basis points for the first five years and 6¼ basis points for the final three and a half years. The fees to draw against the facility, currently unlikely as Sweden issues Euronotes at around 7 basis points below the London interbank bid rate, also were cut.

For 18 banks of the original syndicate of 70 banks, the new terms were deemed too low and they opted to drop out of the transaction.

At the same time, three new banks joined the operation. In all, $2.9 billion was subscribed and as Sweden does not want more than a $2-billion line, the amount allocated to

INTERNATIONAL CREDIT

each bank will be lower than requested.

Banks that were willing to underwrite $70 million will in fact be asked to underwrite $45 million; those that agreed to $50 million will underwrite $35 million; takers of $40 million will underwrite $30 million and takers of $20 million will underwrite $16 million.

Thus, it's no surprise to see other borrowers follow the same path.

New Zealand is trimming its underwritten facility to $1 billion from the $1.5 billion arranged last November. The 1991 maturity is unchanged, as is the annual underwriting fee — 10 basis points for the portion New Zealand designates as available and 5 basis points on the unavailable portion.

However, the renegotiated terms enable New Zealand to designate the entire amount as unavailable, whereas previously only half could be. That means the current fee can range from 5 to 10 basis points, whereas the previous range was 7½ to 10.

At the same time, it becomes less costly for New Zealand to draw on the portion it labels unavailable. This is now to be done by paying a charge of 1½ basis points on the sums involved, down from 2½. Lead managers (taking $60-million slices) who accept the new terms will be paid a renegotiation fee of 3⅛ basis points.

Iceland is also renegotiating terms. A 10-year, $75-million facility arranged in 1982 was costing an annual commitment fee of ¼ percent on undrawn amounts and ⅜-percentage point to ½-percentage point over the London interbank offered rate, or Libor, for drawings. That was a revolving credit — enabling Iceland to borrow, repay and borrow again — for only five years, when it became a term loan.

The new operation is a revolving credit for the full seven-year life. Iceland is to pay an annual facility fee of 10 basis points and, to draw it, will pay 12½ basis points over Libor, rising in 5-point increments for drawing more than one-third or two-thirds of the total. It also is paying a renegotiation fee of ¼ percent.

Iceland is unlikely at present to draw on this line as it has a Euro-commercial paper program of $100 million, recently increased from $60 million.

New to the market is a $100-million, five-year facility for Pierson PLC, the British holding company that owns Financial Times and Lazard Brothers, among others. It will pay an annual facility fee of 6¼ basis points. To draw on the line, it will pay 7½ basis points over Libor, and if more than half is drawn will pay an additional 2½ basis points during the first three years and 5 basis points in the final two years.

Including the front-end fee of 7½ basis points, the cost to draw the loan fully amounts to 3/16-percentage-point over Libor. However, Pierson has in place a commercial paper program in New York and the new line will backstop the New York operation.

Hyundai Corp., the South Korean construction company, has arranged an $85-million, five-year note issuance facility. Interest on the notes will be set at ¼-percentage point below Libor but the paper will be issued at a discount to bring the yield up to the level required to find takers. Underwriters will be paid an annual fee of 30 basis points.

Standard Life Assurance, also of Britain, is in the market for a £175-million loan for seven years. It has the option of drawing in dollars as well. It will pay 10 basis points over Libor for the first three years and 12½ basis points thereafter.

Vneshtorg, the Soviet Union's foreign trade bank, is seeking $200 million for eight years. It will pay ⅛-percentage point over Libor to draw and a commitment fee of ⅛ percent if it does not. Underwriters are offered a front-end fee of 17½ basis points.

Korea-Kuwait Banking Corp., based in South Korea, is seeking $30 million (or the equivalent in Swiss francs) for four years. It will pay 9/16-percentage point over Libor to draw and a commitment fee of ¼ percent on undrawn amounts. Front-end fees total ½ percent.

In the commercial-paper market, Volvo AB has appointed dealers to begin marketing up to $300 million of short-term paper, Swedbank will be seeking to issue up to $250 million, Den Danske Provinsbank up to $100 million and Goodyear Tire & Rubber Co. up to $100 million.

Cassa di Risparmio delle Provincie Lombarde will be offering up to $300 million in the form of certificates of deposit ranging in maturity from seven to 365 days.

Crédit National of France, General Electric Co. and Nynex Corp. (the regional holding company for the New York and New England telephone systems spun off from American Telephone & Telegraph Co.) have announced plans to tap the commercial-paper market but have no fixed targets on how much they will issue or for how long.

Latin Debtors May Increase Pressure on Creditor Nations

(Continued from Page 7)

region's net outflow of capital, put at $400 billion in the past four years, unilateral measures could be taken such as limits on debt payments.

The group is now concentrating its campaign on creditor nations to reduce interest rates and increase new capital flows above the $28 billion originally envisaged in a debt plan announced in October by the U.S. secretary of the Treasury, James A. Baker 3d.

Statements by Mexican officials that Mexico may have to limit interest payments and double its previously envisaged needs of $4.1 billion in loans this year have increased concern of a confrontation between debtors and creditors.

At the same time, support was growing in Washington for an international financial rescue package for Mexico, similar to that put together in August 1982, when the debt crisis began.

At the World Bank, where new loans totaling about $1.6 billion are in varying degrees of readiness, officials say privately that Mexico, which owes around $97 billion, is in need of an international financial rescue package.

The country's international creditor banks also say the situation is now so bad that a rescue package may be inevitable.

The interest alone on Mexico's debts amounts to $840 million a month. But the monthly trade surplus is only around $486 million.

The weaker oil price will cut Mexico's revenues by $3.7 billion this year. It aimed to reduce the budget deficit from 9.6 percent of gross domestic product, its total output of goods and services, minus income from operations abroad, to 4.9 percent in 1986, in line with International Monetary Fund recommendations, but that goal is now unattainable.

Venezuela, with debts totaling $33 billion, was expecting to earn $12.6 billion through oil exports in 1986. This figure is now likely to be cut by $475 million. Oil accounts for 90 percent of Venezuela's exports.

In Peru, the fall in oil prices has cast doubt on the will of President Alan García Pérez to fight guerrillas through economic and social development.

Peru's oil exports earn 22 percent of currency revenues. The weaker price implies a loss of around $300 million a year.

The loss for Ecuador is put at $60 million a year. Oil accounts for 70 percent of its exports.

The Ecuadoran government has already warned that it will have difficulty in maintaining payments on its $7.3-billion debt, has expressed fears that low oil prices could cause social "chaos" and has raised the possibility of declaring a state of national emergency.

The only major Latin American country to benefit from the price fall is Brazil, the world's biggest debtor, which will save $120 million, although some small countries, such as the Dominican Republic, will also benefit.

(Reuters, AFP)

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Apollo Comp.	14¼	14½
Mr Gasket	6	6¼
Bitter Corp.	5¾	6¼
Modulaire	11⅝	12
Rodime	12⅞	13¼

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All of these securities having been sold, this announcement appears as a matter of record only.

Triple Shock to Market May Be Only Temporary

(Continued from Page 7)

initially at a discount of 1⅞ points, the decline widened to 2⅛ after the bad news hit.

The proceeds were swapped into fixed-rate European Currency Units. The financing is the last element in the first half of the EC's lending program to Greece. In five separate operations, the EC has now raised the equivalent of 875 million ECU for Greece. An equal amount is to be raised and lent to Greece next year.

The U.S. corporate issues were particularly hard hit. General Electric Credit ended the week with a loss of 4 points, clear rejection of the terms offered, a coupon of 8¾ for the first seven years.

Associates Corp. of North America and American Medical fared a little better, but American Medical's subsequent denial that it was in merger talks with anybody highlighted the reason why investors now tend to shun U.S. corporate issues.

The Canadian-dollar sector was also a disaster area. Despite the collapse of the dollar to below 70 U.S. cents, three issuers insisted on coming to market. With short-term Canadian-dollar interest rates rising sharply as part of the government's currency defense measures, the bonds languished. The only exception was the Bank of Tokyo's 70-million-dollar issue, priced at 101½ and bearing a coupon of 10½ percent, but that was because Japanese institutions can buy it without adding it to their foreign-currency quotas.

Almost lost amidst all the gloom in the straight bond market, where prices late Friday afternoon dropped by up to ¾-point, was the undiminished enthusiasm for anything to do with equities.

The proof of this was the stunning success of $300 million of 10-year bonds issued by International Business Machines Corp. and exchangeable into shares of Intel.

BM bought 12 percent of Intel, a manufacturer of semiconductor memory circuits, in 1983 and subsequently raised its stake to 20 percent. Like all semiconductor companies, Intel has been hit by the downturn in the industry and last year reported, after special write-offs, earnings of 1 cent per share, down from $1.70 the year previously.

The stock sale will reduce IBM's stake in the company by 7 percent. IBM said the sale does not imply any change in the close commercial relations that exist between the two companies.

The notable aspects of the IBM offering were the 6⅜-percent coupon, the lowest seen on a U.S. corporate convertible since the late 1970s, and the staggering conversion premium of 27.3 percent, believed to be the highest ever set. The face value of the bonds can be used to buy Intel shares at a price of $38.50 each. At the time of the launch, the stock was quoted at $30.25.

However low the coupon, the income is a lot more than can be had by holding the stock directly, as the company currently pays no dividends.

Conventional wisdom has it that U.S. companies currently would have to pay a coupon of no less than 7 percent and set a conversion premium of no more than 25 percent to market paper here. Nevertheless, the bonds, priced at par, ended the week at a premium of 102¼, eloquent evidence of the insatiable hunger for equity-linked issues.

The other big equity hits of the week were Japanese: Fujikura, Fujitsu, Optec Dai-Ichi in Deutsche marks, as well as Thomson Brandt of France and Burton of Britain.

Bond Dealers Avoid Schism

International Herald Tribune

PARIS — The threat of a schism within the Association of International Bond Dealers, the Eurobond market's self-regulatory body, was removed last week when market-makers decided to remain under the wing of the AIBD.

Members of the Secondary Market-Makers Association will now seek recognition as a committee responsible for setting rules and procedures governing how the 140 market-makers do business.

The market-makers' move was prompted by frustration that they were outvoted by the rest of the AIBD membership, mainly involved with the distribution of new issues, on matters the market-makers considered their own turf.

Two More Sue Dubai Trading Firm

Reuters

DUBAI — Two creditors of the troubled Dubai trading house, A.R.E. Galadari Brothers, have joined several others in filing suits in a Dubai court to recover debts, according to bankers.

The two are Lloyds Bank International Ltd., which has a 14-million dirham ($3.8-million) unsecured loan, and American Express International Banking Corp., with 21 million dirhams outstanding, the bankers said on Saturday.

Bankers Trust and a nine-bank syndicate led by Citibank also have filed. Total debt covered by pending court cases now amounts to around 750 million dirhams.

The group stopped paying interest or principal on a total debt of 900 million dirhams last spring.

Galadari has interests in real estate, hotels, vehicle sales and publishing.

Lloyds and American Express have asked the court to appoint a guardian to manage the group or freeze its assets pending rescheduling talks, the bankers said. Union Bank sued last month after rescheduling talks broke down.

A hearing was set for Feb. 15.

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INVEST TODAY WITH THE TOP CURRENCY MANAGERS

International Bond Prices

(Continued from Page 8)

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 100	Security Pacif O/s Fi	10⅝	'88 Jan	102¾	9.10		10.22
$ 100	Security Pacif O/s Fi	12	'92 Mar	111	9.52		10.81
$ 100	Shearson Americ Expre	12⅜	'94 Mar	109	10.42		11.12
$ 250	Shell Oil Co	9½	'90 Nov	[illegible]	9.28		9.43
$ 125	Signal Companies	11¼	'92 Feb	107¼	10.06		10.54
$ 75	Society For Savings	11⅞	'90 Feb	104	10.12		10.94
$ 100	Sonat Finance	11⅛	'92 Jun	103	10.43		10.80
$ 75	South Californ Edison	15	'89 May	103	13.72		14.56
$ 75	South Californ Edison	10⅞	'90 Nov	101½	10.02		10.34
$ 75	South Californ Edison	11⅛	'90 Nov	104	10.36		11.06
$ 100	South Californ Edison	11	'92 Jun	103	10.30		10.68
$ 50	South Californ Gas	14⅝	'89 Sep	104¾	12.93		14.00
$ 60	South Californ Gas	12¾	'91 Oct	109¼	10.48		11.67
$ 60	South Carolina El Gas	15⅞	'89 Apr	102¼	14.59		15.16
$ 100	Sperry Curacao	15	'89 Sep	104½	13.25		14.35
$ 75	St Paul O/s Finance	11⅞	'87 Nov	103¾	9.37		11.45
$ 35	Standard Oil Indiana	8⅛	'88 Aug	98½	9.15	9.33	8.43
$ 35	Standard Oil Indiana	8⅛	'88 Dec	98	9.19	9.22	8.55
$ 150	Standard Oil Ohio	10⅞	'87 Jan	103½	9.97		10.14
$ 30	Sterling Drug Capital	10⅝	'90 Apr	98¼	11.32		11.04
$ 100	Sun Capital Corp	10	'90 Oct	101¼	9.66		9.86
$ 25	Sundstrand Finance In	8¼	'87 Jun	100	8.48	8.48	8.75
$ 125	Superior O/s Finance	14	'89 Jan	102	12.76		13.59
$ 100	Superior O/s Finance	11	'92 Nov	102	10.55		10.78
$ 15	Sybron O/s Capital	8	'87 Mar	98½	9.51	10.50	8.12
y 20000	Syntex Inc	6⅝	'93 Jan	98½	6.95		6.74
$ 150	Tenneco Corp	11⅞	'89 Jan	105¼	9.42		10.94
$ 100	Tenneco Corp	10	'89 Nov	101¾	9.58		9.86
$ 150	Tenneco Corp	10⅝	'95 Jun	102¾	10.87		10.35
$ 100	Tenneco Corp	11	'95 Nov	104½	10.30		10.56
$ 100	Tenneco Intl May	7¾	'87 May	98½	8.99		7.87
$ 30	Tenneco Intl	14¼	'87 Aug	102½	12.83		14.03
$ 30	Tenneco Intl Nov	7¾	'87 Nov	98	9.08	9.17	7.91
$ 100	Tenneco Intl	17	'89 Oct	105¼	14.76		16.08
$ 300	Texaco Capital	12⅜	'87 Sep	99	13.47		13.01
$ 200	Texaco Capital	13⅛	'89 Aug	101⅞	12.86		13.38
$ 150	Texaco Capital	9¾	'90 Mar	90	12.66		10.83
$ 250	Texaco Capital	10	'90 Sep	90¼	12.81		11.05
$ 200	Texaco Capital	10⅝	'90 Nov	90½	12.28		11.60
$ 250	Texaco Capital	11⅛	'95 May	91	12.81		12.23
$ 300	Texaco Capital	10	'95 Aug	85½	12.67		11.70
$ 60	Texas Eastern Finance	15⅝	'89 Jan	103	14.46		15.29
$ 150	Texas Instruments Int	11⅝	'91 Mar	106¼	10.28		11.10
$ 30	Textron Intl	7¾	'87 Oct	98	8.86	9.54	7.91
$ 100	Time-Life O/s Finance	10¾	'90 Jan	102½	9.95		10.49
$ 40	Trailer Train Finance	13¾	'92 Nov	107	11.66	11.37	12.38
$ 75	Transamerica Financia	7	'86 Sep	98½	9.65		7.11
$ 20	Transamerica O/s Fina	8⅛	'86 Dec	99½	9.09	9.09	8.54
	Transco Intl	15⅛	'87 Apr	103½	12.66		15.02
$ 40	Transocean Gulf Oil	7⅛	'87 Jun	98¾	8.07	8.07	7.59
y 15000	Trw Inc	7	'94 Dec	101½	6.76		6.90
$ 20	Trw O/s Finance	8⅛	'86 Oct	100	8.63	8.63	8.75
$ 50	Uer O/s Finance	13½	'88 Oct	101	12.96	12.88	13.37
$ 70	Union Carbo O/s Financ	11⅛	'89 Nov	106	9.73		11.08
$ 150	Union Carbide O/s	14⅝	'89 May	102½	13.67		14.39
$ 30	Union Oil Intl Financ	7½	'87 Feb	98	9.71	9.71	7.65
$ 100	Union Pacific Corp	11⅝	'92 Apr	104½	10.46		11.00
$ 25	United Technologies	11⅝	'89 Sep	108¼	11.43		11.46
$ 100	United Technologies	12⅜	'89 Oct	102¾	11.37		12.04
y 25000	United Technologies	6⅝	'92 Jan	101	6.41		6.56
$ 150	United Technologies	11⅛	'93 Jan	108¼	9.40		10.40
$ 100	United Technologies	10⅝	'95 Aug	108¼	9.82		10.13
$ 20	Utah Intl Finance	8	'87 Mar	98	9.95	10.90	8.16
ecu 62	Walt Disney Productio	8¼	'94 Feb	99⅞	8.84	8.84	8.79
ecu 80	Walt Disney Productio	9⅛	'95 Mar	101½	8.87	8.82	8.99
$ 150	Walt Disney Productio	12½	'87 Oct	105¾	8.79		11.86
$ 75	Walt Disney Productio	12½	'89 Mar	103	11.28		12.14
$ 15	Ward Foods O/s Capita	5⅛	'88 Nov	78	16.38	17.43	7.37
$ 100	Warner-Lambert Intl	10⅛	'90 Feb	101	9.93		10.15
$ 100	Wells Fargo Co	12⅜	'91 Sep	110⅛	10.76		12.10
$ 100	Wells Fargo Co	12⅜	'91 Dec	101	12.36		12.50
$ 75	Wells Fargo Intl Fina	15	'87 Mar	100¾	14.12		14.89
$ 50	Weyerhaeuser Capital	10⅞	'90 May	100½	10.82		10.45
$ 60	Weyerhaeuser Capital	11½	'90 Nov	103	10.64		11.17
$ 150	Weyerhaeuser Co	12⅛	'87 Oct	104½	9.19		11.72
$ 150	Xerox Credit Corp	10¾	'89 Jun	105¼	8.69		10.17

FOREIGNTARGETED BONDS OF THE US TREASURY AND OF ITS AGENCIES

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 1000	Us Treasury	11⅝	'88 Sep	107¼	8.38		10.61
$ 1000	Us Treasury	11	'90 Feb	107½	8.71		10.23
$ 1000	Us Treasury	9⅞	'93 Aug	105	8.47		9.40
$ 200	Fed Home Loan Banks	11	'87 Dec	106⅛	8.90		10.32
$ 300	Fed National Mort Ass	11½	'91 Dec	109¼	9.36		10.53
y 50000	Fed National Mort Ass	6⅞	'92 Feb	101½	6.56		6.77
y 25000	Student Loan Mark Ass	6⅝	'92 Jan	100½	6.52		6.59

DM STRAIGHT BONDS

AUSTRALIA

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 100	Australia	7	'87 Feb	106½	.40	.41	6.57
dm 200	Australia Pp	8⅝	'87 Oct	102¾	4.33		8.07
dm 250	Australia	6	'88 Sep	101¼	5.45		5.93
dm 250	Australia	5¾	'89 Nov	100¼	5.66	5.62	5.74
dm 150	Australia Pp	6⅝	'90 Dec	108½	6.34		6.34
dm 200	Australia	9⅝	'91 Feb	113⅛	6.11		8.34
dm 300	Australia	9⅝	'91 Dec	112	6.82		8.37
dm 200	Australia	7¾	'92 Nov	107½	6.34		7.21
dm 200	Australia	6⅞	'93 Jan	104½	6.09		6.57
dm 600	Australia	7¼	'94 Nov	105¼	6.55		6.89
dm 50	Australian Ind Dev Co	6⅝	'87 Nov	101	6.10	5.85	6.68
dm 100	Hamersley Iron Fin	6⅝	'87 Jul	101	5.95	5.56	6.68
dm 100	Mount Isa Finance	7¾	'90 Mar	102½	6.90		7.44
dm 100	Mount Isa Finance	7¾	'92 Apr	105	6.73		7.38
dm 50	Papua New Guinea	6⅝	'88 Jul	101	6.27	6.01	6.68

AUSTRIA

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 100	Austria	7¾	'86 May	101¼	2.43	2.18	7.65
dm 200	Austria	8½	'87 May	102	6.72	5.92	8.33
dm 100	Austria	7⅝	'89 Jan	105	5.94		7.26
dm 100	Austria Pp	7¾	'90 Aug	102	7.20		7.60
dm 150	Austria	5¾	'90 Nov	99½	5.87	5.94	5.78
dm 100	Austria Pp	7½	'91 May	104	6.56		7.21
dm 300	Austria	7	'92 Feb	103½	6.38		6.76
dm 100	Austria	8⅜	'92 Jan	108½	6.67		7.72

(Austrian Control B Pp, Austrian Control Bank, Austrian Electricity, Austrian Industry, Donaukraftwerke Ag, Genossen Zentralbank, Girozentrale Sparkassen, Kelag, Oest El & Wirtschaft, Pyhrn Autobahn, Tauernautobahn Ag, Vienna City, Voest-Alpine — [illegible])

BELGIUM

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 200	Belgium Pp	6⅝	'92 Nov	101¼	6.63		6.79
dm 100	Belgelectric Finance	10⅝	'88 Jun	107	7.59		9.81
dm 100	Belgelectric Finance	11	'91 Oct	112¾	7.92		9.69

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Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 150	Bank Of China	7	'92 Jun	100	6.99		7.00
dm 150	China Intl Trust Inv	6⅝	'91 Oct	98½	6.94		6.73
dm 150	Nat Bank Of Hungary	7	'93 Oct	96¼	7.56		7.24
dm 50	Iceland	7¾	'87 Apr	102	5.88	4.72	7.60
dm 75	Iceland	9¼	'92 Jun	110½	7.12		8.37
dm 100	Indust Dev Bank India	7	'93 Feb	99	7.19		7.07

[illegible]

NASDAQ National List

OTC consolidated trading for week ended Friday.

	Sales in 100s	High	Low	Last	Net Ch'ge
[illegible]					

CONVERTIBLE BONDS

Amt	Security	% Mat.	Mid. Price	—Conv. Period—	—Conv.Price/sh—	Conv. Yld. Prm.%
[illegible]						

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

[illegible]

Explanation of Symbols

CN$	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
£	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NKD	Norwegian Kroner - DM		

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Watch Out for Revival of Linkage

Stephen Rosenfeld

American Exchange Options

Figures as of close of trading Friday.

Option & price		Calls		Puts	
[illegible]					

Total volume 235,234

Open interest 2,158,451

r—Not traded. s—None offered. o—Old.

Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

Fund	Bid	Ask
[illegible]		

NL — No load (sales charge). f — Previous day's quote. r- Redemption charge may apply. x—Ex dividend.

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By The Chase Manhattan Bank, N.A., London, Agent Bank

10 February, 1986

FOR FUN AND PROFIT
The Business Travel Column by
ROGER COLLIS
Friday in Weekend

Herald Tribune
Published With The New York Times and The Washington Post
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France	F.F.	1,200	644	359
Germany	D.M.	482	261	144
Great Britain	£	101	55	30
Greece	Dr.	15,600	8,464	4,692
Netherlands	Fl.	550	298	166
Ireland	£Irl.	115	62	34
Italy	Lire	276,000	149,040	82,800
Luxembourg	L.Fr.	9,020	4,876	2,668
Norway	N.Kr.	1,420	765	423
Portugal	Esc.	13,800	7,450	4,090
Spain	Ptas.	21,200	11,500	6,300
Sweden	S.Kr.	1,470	795	434
Switzerland	S.Fr.	432	233	129
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	$	322	174	95
Rest of Africa, Canada, Latin America, Gulf States, Asia	$	442	238	130

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NASDAQ National Market

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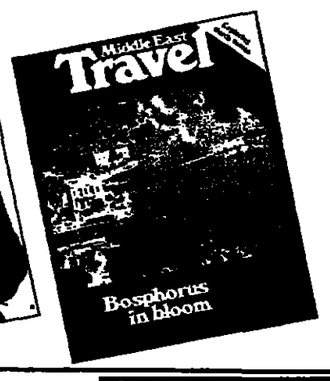

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(Continued on Page 17)

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued from Page 16)

Last Week's NYSE

NYSE Most Actives

Vol.		High	Low	Last	Chng.
AT&T	152037	22	21	21¼	—¼
Exxon	94245	52	48⅞	50	—⅜
GMot	75463	76⅝	73¼	74⅞	+2⅛
IBM	73433	157¼	151	155⅝	+5⅛
PhilPts	71277	10⅝	9⅝	10	—⅛
Mobil	69882	29⅝	27⅜	28⅛	—⅛
PSInd	63372	9⅛	7⅞	9	—⅛
Raymin s	62557	34⅝	33	33⅝	+1¼
PanAm	56563	9⅝	8⅝	9⅝	+⅝
Motorla	56267	44⅛	39⅝	44	+4⅛
Sears	52862	40¾	38⅝	40¼	+1⅛
Chicp	52153	50¼	46⅛	47¼	—1⅞
EastAir	50443	7	6¼	6¾	+¼
Goodyr	50112	33⅜	32⅜	33⅜	+¼
Texaco	49435	28¼	26	28¼	+1⅛
SouthCa	48871	22⅜	21⅝	22⅛	+⅛
USSteel	48057	23¼	22⅛	22⅜	—⅜
Schlmb	47415	33⅜	30⅝	31⅜	—1½
TexOGs	47339	14⅛	12¼	13⅛	—⅛
Boeing s	46371	48⅝	45⅜	48	+2
NtSemi	44987	14⅛	12½	13⅞	+1
AMD	44842	30⅛	26⅝	29⅝	+2⅝
Morton	43489	34	30	33⅞	+3⅛
AmExp	42266	60⅛	56⅛	59⅛	+3
Foxmyr	40084	34⅝	23⅛	34⅝	+10⅝

NYSE Diaries

	This Wk	Last Wk
Advanced	1330	1377
Declined	706	461
Unchanged	208	391
Total Issues	2244	2229
New Highs	399	324
New Lows	128	93

NYSE Sales

	Sales Vol.
Total for week	745,820,000
Week ago	731,240,000
Year ago	666,790,000
Two years ago	534,030,000
Jan 1 to date	3,625,004,761
1985 to date	3,445,890,000
1984 to date	3,077,220,000

Last Week's AMEX

AMEX Most Actives

Vol.		High	Low	Last	Chng.
DomeP	31187	2	1⅝	1¾	—¼
Wickes	24358	4⅜	4⅛	4¼	
Holmi	18471	4¼	3¼	3⅞	+¼
KeyPh	17738	13½	11	13½	+1¾
Lionel	17183	7⅞	6¼	7⅞	+1½
BAT In	14725	4⅞	4⅜	4⅞	+⅜
WangB	14407	19⅝	18	19⅝	+⅞
AM Intl	12954	6⅝	5⅝	6⅛	+½
OzarkH	12767	16⅝	13½	16⅝	+3
HmeG n	11462	28⅛	25¼	27¼	+1⅞
Astrotc	11018	1⅜	1	1⅜	+⅜
GrtLkC	10588	39⅝	36	37½	—½
EchoB g	8356	15	13	14¼	—⅞
SupCre	7818	2⅛	1	2	+1
HudsFd n	7818	12¼	11⅛	12	
Husky g	6829	6⅝	5½	6¼	—⅛
Hmlns of	5651	24	22⅝	23¼	—½
NYTimes	5631	53¼	49⅛	53⅛	+3⅞
FCapHd	5494	10⅛	7¼	9⅝	+1½
TexAir	5234	17⅝	15½	17⅛	+1⅛
Dillrd s	5173	41⅜	38½	39⅛	—3⅜
Amdahl	5136	15⅜	14⅝	15¼	—⅛
SterlSft	4572	13⅞	12½	12⅝	—⅞
WDigitl	4572	12⅛	11⅛	11⅝	—⅛
TIE	4462	6¼	5⅝	5⅝	—⅛

AMEX Diaries

	This Wk	Last Wk
Advanced	405	396
Declined	376	371
Unchanged	140	155
Total Issues	921	922
New Highs	121	116
New Lows	6	54

AMEX Sales

	Sales Vol.
Total for week	45,760,000
Week ago	55,750,000
Year ago	70,250,000
Jan 1 to date	301,430,000
1985 to date	265,550,000
AMERICAN BONDS	
Total for week	15,460,000
Year ago	11,350,000

Treasury Bills

Figures as of close of trading Friday

Chicago Exchange Options

Figures as of close of trading Friday.

Total volume 795,727
Open interest 5,719,386
r—Not traded. s—None offered. o—Old.

EUROPEAN COMMUNITY

Commission Rejects Confrontation With Japan

By Steven J. Dryden
International Herald Tribune

BRUSSELS — The European Commission has backed away from calls for a confrontation with Japan over its persistently high trade surplus with the EC.

In a recommendation to the Council of Ministers last week, the commission put forward a relatively mild package of measures to combat the trade gap, which grew from almost $13 billion in 1984 to more than $14 billion in 1985.

The commission said the community should continue to insist that Japan set a target for increased imports, a demand already rejected by Tokyo, and called for access for European banks and financial institutions in Japan that matched the openness found by Japanese banks in the community.

And in a mostly symbolic threat, the commission proposed that no new concessions be granted to Japan during the new round of the General Agreement on Tariffs and Trade unless Tokyo increased its "propensity to import."

The commission also said it would consider reactivating charges of unfair trading practices by Japan based on article 23 of the GATT code, which could lead to the withdrawal of concessions granted to Japan. Such a move, which has already been attempted, and abandoned, by the EC, is given little chance of success because of lack of support from other GATT members.

Among the reasons for the commission's reluctance to recommend tougher action against Japan was the desire of Jacques Delors, the commission president, to avoid upsetting relations with Japan before the Tokyo economic summit meeting in May, EC officials said.

The commission also faced the perennial problem of divisions between the member states over what actions to take against Japan. Despite growing unhappiness with the trade gap, some countries are opposed to policies that damage free trade or endanger their own bilateral trade relations with Japan.

Commission Will Study U.S. Ban on Akzo Fibers

The commission has accepted a request from Akzo NV, the Dutch chemicals group, to investigate a U.S. ban on imports of its synthetic aramid fibers.

The commission's decision last week followed unsuccessful efforts by Clayton K. Yeutter, the U.S. trade representative, to resolve the issue in contacts with Dutch officials.

The investigation will be the first under the commission's New Trade Policy Instrument, a measure created to enable the community to respond more quickly to what it sees as unfair trading practices.

The Akzo complaint has its roots in a patent dispute with Du Pont Co. over the aramid fibers, a highly durable material used by armaments industries for such products as bulletproof vests and aircraft.

Akzo's attempt to export its Twaron fibers to the United States was blocked by the International Trade Commission in a ruling in November after a request for protection by Du Pont, which said it had invested $600 million in its own development of the fibers. Akzo said the ban violated GATT rules.

Farm Lobby Groups Reject Price Freeze

European farm groups quickly rejected the commission's proposals for a freeze on most guaranteed agricultural prices for 1986-87.

In a joint statement, the Committee of Agriculture Workers' Organizations and General Committee of Agriculture Cooperatives, the two farm lobbying groups, called the commission proposals "draconian" and said they would mean an actual drop in prices because of proposed penalties for overproduction.

For cereal farmers, the effective drop in prices could be as much as 15 percent, the two groups said.

In Bonn, Ignaz Kiechle, the West German farm minister who last year vetoed a commission plan for modest trims in cereal prices, was quoted as saying that this year's proposals were "unacceptable."

Critics of the EC's huge farm surpluses, however, said the commission's proposals are completely insufficient to bring overproduction under control.

Opposition to the freeze is expected to extend the farm ministers' deliberations past the April 1 deadline to set the prices. Political pressure will be exerted by local elections scheduled this year in West Germany and national elections in the Netherlands and France.

Commissioner's Remark Embarrasses Denmark

During his presentation of the price proposals last week, Frans Andriessen, the commissioner for agriculture, made comments that set off a political storm in Denmark.

Mr. Andriessen was commenting on what the commission would do if another member state vetoed the farm price proposals again this year.

According to several journalists present at the time, Mr. Andriessen said the community had agreed in Luxembourg that the veto powers would no longer be used.

EC leaders, at their summit meeting in Luxembourg in December, agreed on reforms that included restricting the requirement for unanimity in community decision-making. But this did not affect the unwritten EC rule allowing a member to veto a decision believed to be a threat to its national interest.

Mr. Andriessen later said he was misunderstood, but his reported remarks embarrassed the Danish government, which is hoping voters will approve the EC reforms in a referendum on Feb. 27.

Danish opposition to the reforms is based mainly on fears that they endanger the country's sovereignty. The veto is seen as a guarantee of national rights.

Spain Prices Up After Joining EC

Reuters

MADRID — The introduction of a value-added tax helped push prices in Spain up about 3 percent in January, Finance Minister Carlos Solchaga Catalán said Saturday.

He said the effect of VAT, introduced when Spain joined the European Community on Jan. 1, had added two percentage points to the January inflation rate of about 1 percent.

He said the increase was expected, adding, "We can meet our 8-percent inflation target this year." Inflation last year was 8.1 percent, slightly above the target of 7.9 percent.

World Bank Head Looks Back at 5 Difficult Years

(Continued from Page 7)

more growth. We're helping them get rid of the incest and inefficiencies in their economies."

As Mr. Clausen winds down his presidency of the World Bank, the role of the institution is expanding.

The bank will be a pillar of the so-called Baker plan for dealing with Third World debt, announced by U.S. Treasury Secretary James A. Baker 3d in October at the annual meeting of the World Bank and International Monetary Fund. After five years of only grudging support for the bank, the administration now wants to increase its lending capacity and broaden its power in dictating the terms of its loans.

The plan calls for $29 billion in new loans to the Third World over the next three years: $9 billion from the World Bank and IMF and $20 billion from commercial banks. The loans would require that the recipient nations adopt free-market economic policies, stem corruption and capital flight and encourage greater domestic savings and investment.

These are policies Mr. Clausen has advocated since he joined the World Bank. But he will not benefit from the policy shift nor will he be given credit for bringing it about.

Mr. Clausen "was frustrated by the Reagan administration's attitude of being standoffish and doubtful early on," said William R. Cline of the Institute for International Economics, a Washington research organization. "When it finally got religion and proposed the Baker plan, they decided that Clausen wasn't the man that would be allowed to carry it out."

Instead, the administration let Mr. Clausen know that he would not be asked to stay when his term ends on July 1.

Mr. Clausen looks back on his term with a mixture of gratitude for the privilege of serving and frustration with his inability to achieve his goal of increasing the bank's funding and prestige.

President Jimmy Carter named Mr. Clausen to the World Bank post late in 1980 after the banker had spent 32 years with Bank of America, the last 11 as chief executive. He arrived in Washington at what proved an inauspicious time.

He assumed the World Bank presidency following the 13-year reign of Robert S. McNamara, the dynamic former auto executive and defense secretary. Under Mr. McNamara, the bank's lending to the developing world increased elevenfold.

"What you hear is that the size of the problems here overwhelmed him. I say, show me someone who wouldn't have been staggered by the problems."

— A World Bank official

The imperious, independent Mr. McNamara became chief spokesman for the developing world and oversaw the World Bank's first great policy shift, away from reconstruction of war-ravaged countries to an ambitious effort to lift the developing world out of poverty.

When President Ronald Reagan took office in 1981, his key policy advisers were openly hostile to the World Bank and other multilateral development agencies, preferring to give aid directly.

Then came a deep worldwide recession, exacerbated by high oil prices and soaring interest rates. Commercial bank lending to the Third World, which boomed in the 1970s, virtually dried up. By mid-1982, the inevitable payment crisis exploded with Mexico's near-default on billions of dollars of loans.

But the bank's financial position remained strong.

It posted healthy profits in each of his years as president, reaching a record $1.13 billion last year. The bank's credit rating remains triple-A while the ratings of even the best-run commercial banks have slipped. Because of its financial strength, the bank has been able to lower interest rates on its loans to troubled borrowers.

"I think he's been getting rather a bum rap," said a World Bank official who has worked closely with Mr. Clausen. "He came in at the worst time of any president. By and large, he has been a crisis manager of some considerable ability. One should judge his performance in that light, rather than against the go-go years of the McNamara era, when there was plenty of money around.

"What you hear is that the size of the problems here overwhelmed him," the aide said. "I say, show me someone who wouldn't have been staggered by the problems faced by our member countries."

TWA Loss Widened in 4th Quarter

By Agis Salpukas
New York Times Service

NEW YORK — Trans World Airlines has reported that its 1985 fourth-quarter loss widened to $123.4 million from $29.4 million in the 1984 period.

The airline, which was taken over by Carl C. Icahn last year, also reported Friday that it had a loss of $193.1 million for the year, in contrast to a profit of $29.9 million, or 17 cents a share, in 1984.

The 1985 loss was 29 percent greater than the $150 million the company had projected when Mr. Icahn was seeking to obtain financing for his takeover.

Robert J. Joedicke, the airline analyst for Shearson Lehman Brothers, said the loss for the year was higher than he had anticipated. Particularly disturbing, he said, was an operating loss of $38.4 million in the fourth quarter in the international division in contrast to a profit of $21 million in the fourth quarter of 1984.

TWA's international division has traditionally been profitable while its domestic division — used primarily to feed traffic to its international routes — has suffered large losses.

Mr. Joedicke said that while the losses were large, they contained major nonrecurring expenses such as $60.5 million from takeover activities, and costs for staff cuts.

The airline's operating revenue for the fourth quarter totaled $839 million, up slightly from $834.1 million a year earlier.

Revenue for the year came to $3.73 billion, up 5.7 percent from $3.53 billion in 1984.

Mr. Icahn said the airline's losses resulted from heavy fare discounts, a weaker dollar that made it less attractive to travel abroad and high labor costs.

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(Continued From Back Page)

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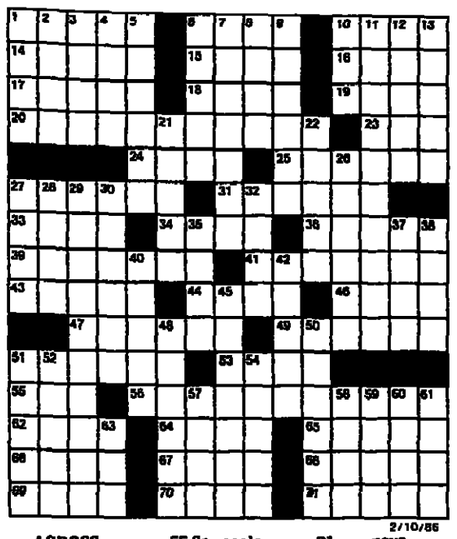

2/10/86

ACROSS

1 Apartments
6 Taj Mahal locale
10 Poisonous snakes
14 Mother of Perseus
15 Secure a ship with cables
16 Boorish one
17 Sacking fiber
18 This, to Juan
19 Distinctive air
20 Reputed cold remedy
23 Greek letter
24 Within: Comb. form
25 Finn's buddy
27 Abandon
31 Rossini works
33 Sacred image
34 Old Germanic character
36 Floor, in France
39 Window covering
41 Made a chess move
43 One who manages
44 Slow, heavy boats
46 Allow use of
47 Kind of clef
49 Takes away by force
51 Less stringent
53 Jai ——
55 Sea eagle
56 Formal duds
62 Heavy hammer
64 Pizzeria fixture
65 Muse of poetry
66 Director Preminger
67 Pure and simple
68 Shows violent anger
69 Cozy retreat
70 Back talk
71 Restrains

DOWN

1 Banking insurance org.
2 Tie down
3 One opposed
4 Dusting-powder ingredient
5 One who searches
6 Make better
7 Irish lad
8 Printing process, for short
9 Waken
10 Neighbor of Fla.
11 Kidvid slap-stick comic
12 Horse-racing prize
13 Flight segment
21 —— nous (confidentially)
22 Cuts away gradually
26 Turkey-throat pendant
27 Recording
28 Parrot
29 The works, gastronomically
30 Participates in
32 Fourth of a bushel
35 Soviet river
37 Polite bloke
38 Some grad. degrees
40 Kilmer work
42 Egyptian dam site
45 McCormick products
48 Besoms
50 "—— to the Sea": Synge
51 Dud
52 Speechify
54 Highway divisions
57 Eye part
58 Student soc.
59 Othello's deceiver
60 Dance movement
61 Dan Blocker "Bonanza" role
63 Movie studio

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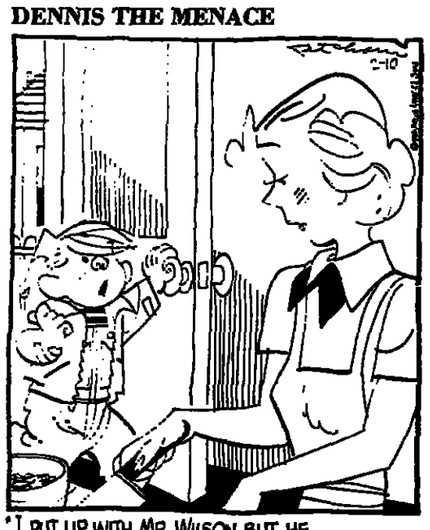
DENNIS THE MENACE

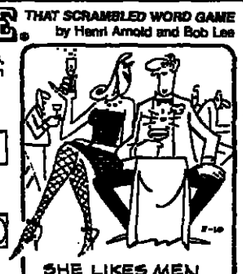


JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ROODE
POLEE
LETTAC
CYNAGE



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: ○○○○○ ○○○○○

(Answers tomorrow)

Friday's Jumbles: ABYSS TAFFY BANDIT HIDING
Answer: How a boxer makes money— HAND OVER FIST

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	14	57	9	48	cl
Amsterdam	-5	23	-10	14	fr
Athens	14	57	6	43	fr
Barcelona	8	46	0	32	fr
Belgrade	0	32	-6	21	cl
Berlin	-11	12	-16	3	sw
Brussels	-9	16	-10	14	fr
Bucharest	1	34	0	32	o
Budapest	1	34	-6	21	sw
Copenhagen	-3	27	-7	19	sw
Costa Del Sol	14	57	7	45	cl
Dublin	2	36	0	32	o
Edinburgh	0	32	-1	30	o
Florence	1	34	-7	19	o
Frankfurt	-12	10	-13	9	sw
Geneva	-7	19	-9	16	fr
Helsinki	-6	18	-16	3	sw
Istanbul	8	46	0	32	r
Las Palmas	20	68	11	52	fr
Lisbon	8	46	5	41	cl
London	0	32	4	39	cl
Madrid	5	41	-5	23	cl
Milan	0	32	-2	28	cl
Moscow	-6	18	-20	-4	fr
Munich	-6	18	-12	10	sw
Nice	3	36	0	32	sw
Oslo	-1	30	-3	27	fr
Paris	2	36	-5	23	fr
Prague	-10	4	-16	3	sw
Reykjavik	2	36	1	34	cl
Rome	8	46	4	39	cl
Stockholm	-5	18	-10	14	cl
Strasbourg	-10	14	-11	12	o
Venice	0	32	-2	28	o
Vienna	-2	28	-9	16	sw
Warsaw	-3	27	-15	5	sw
Zurich	-9	16	-13	9	o

MIDDLE EAST					
Ankara	4	39	1	34	sh
Beirut	—	—	—	—	no
Damascus	14	57	6	43	r
Jerusalem	13	55	6	43	r
Tel Aviv	12	54	10	50	sh

OCEANIA					
Auckland	22	72	17	63	fr
Sydney	27	81	22	72	cl

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	31	88	23	74	fr
Beijing	6	43	-5	23	o
Hong Kong	15	59	11	52	o
Manila	30	86	23	73	o
New Delhi	17	63	12	54	o
Seoul	2	36	-5	23	o
Shanghai	5	41	0	32	cl
Singapore	30	86	26	79	cl
Taipei	18	64	10	50	fr
Tokyo	8	46	0	32	fr

AFRICA					
Algiers	14	57	5	41	r
Cairo	19	66	11	52	fr
Cape Town	23	73	15	59	fr
Casablanca	14	57	12	54	r
Harare	27	81	15	59	o
Lagos	33	84	26	79	o
Nairobi	29	84	9	48	fr
Tunis	13	55	7	45	sh

LATIN AMERICA					
Buenos Aires	28	82	21	70	sh
Caracas	29	79	16	61	fr
Lima	28	82	20	68	fr
Mexico City	27	81	2	36	fr
Rio de Janeiro	30	86	24	75	o

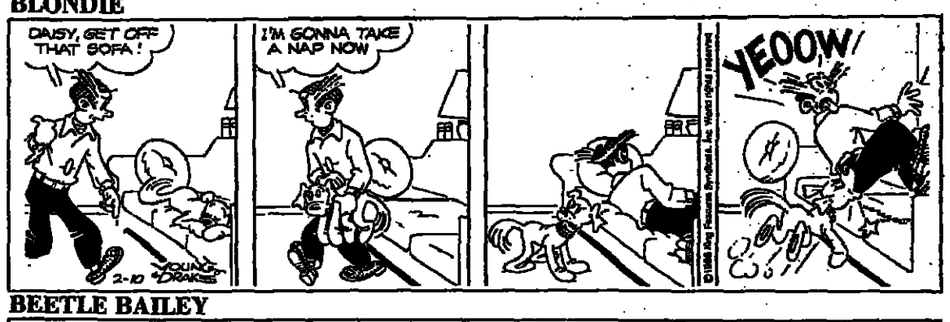
NORTH AMERICA					
Anchorage	2	36	-2	27	cl
Atlanta	11	52	6	43	cl
Boston	2	36	-3	23	sw
Chicago	-5	23	-10	14	sw
Denver	-6	18	-14	7	sw
Detroit	-1	30	-9	16	cl
Honolulu	28	82	18	64	fr
Houston	11	52	8	46	fr
Los Angeles	19	66	9	48	fr
Miami	29	84	20	68	fr
Minneapolis	-15	5	-20	-4	sw
Montreal	-7	19	-17	1	cl
Nassau	28	82	17	63	fr
New York	4	39	-3	27	sw
San Francisco	15	59	5	41	fr
Seattle	7	45	-1	30	fr
Toronto	-5	23	-9	15	sw
Washington	4	39	-2	28	cl

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

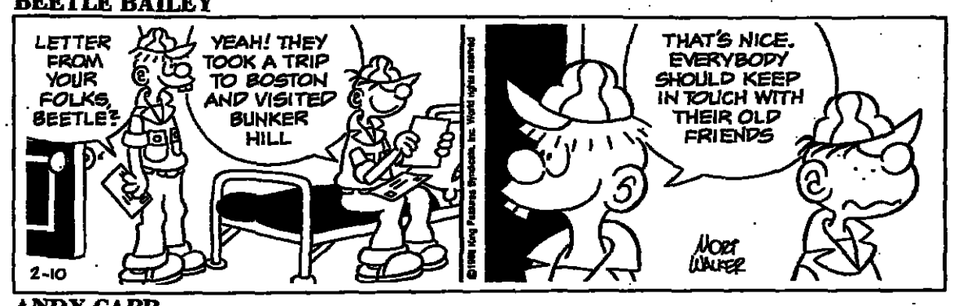
MONDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Snow. Temps. -11 — -15 (12 — 5). LONDON: Fair. Temps. -7 — -4 (20 — 21). MADRID: Fair. Temps. 6 — 3 (43 — 27). NEW YORK: Snow. Temps. 2 — -1 (36 — 30). PARIS: Cloudy. Temps. -3 — -7 (27 — 16). ROME: Rainy. Temps. 6 — 5 (43 — 41). TEL AVIV: Not available. ZURICH: Snow. Temps. -10 — -14 (14 — -7). BANGKOK: Not available. HONG KONG: Not available. MANILA: Not available. SEOUL: Not available. SINGAPORE: Not available. TOKYO: Not available.

PEANUTS

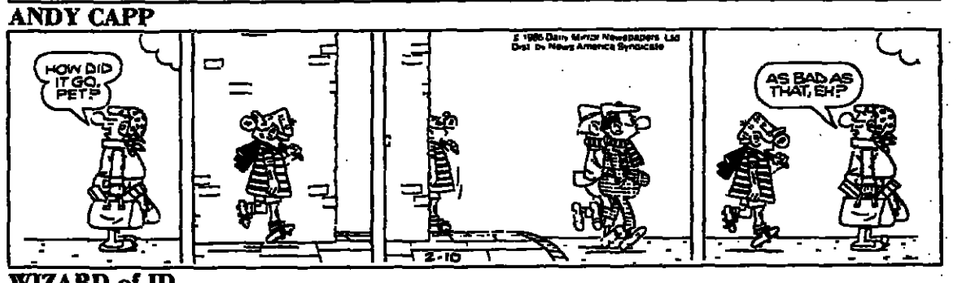
BLONDIE



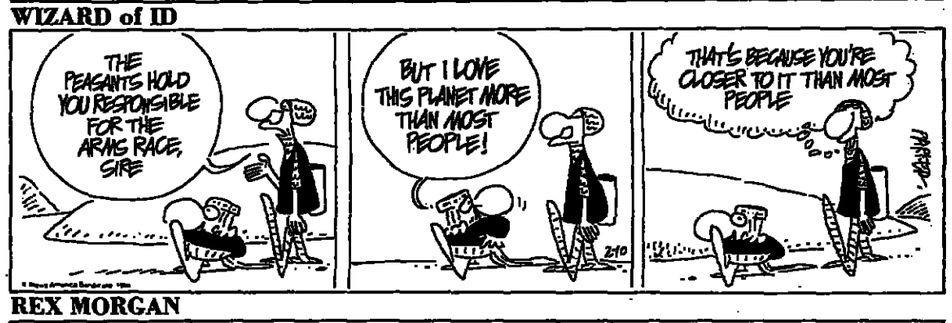
BEETLE BAILEY



ANDY CAPP

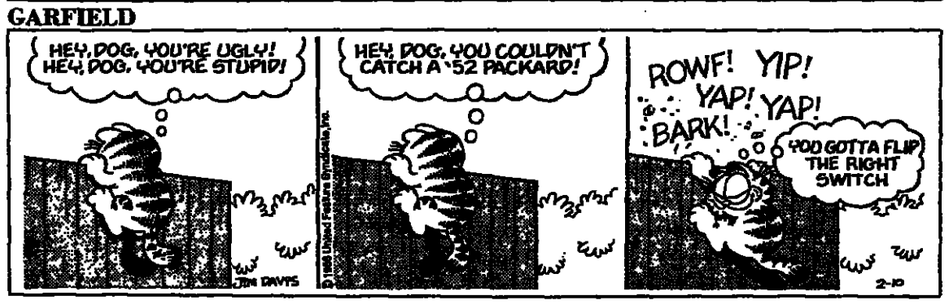


WIZARD of ID



REX MORGAN

GARFIELD



BOOKS

WISEGUY: Life in a Mafia Family

By Nicholas Pileggi. 256 pages. $17.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Christopher Lehmann-Haupt

NICHOLAS PILEGGI was not impressed when first approached by a lawyer and asked to write the story of Henry Hill, a gangster who had recently been put under the Justice Department's federal Witness Protection Program. In Pileggi's nearly two decades as a journalist he had "gotten bored with the egomaniacal ravings of illiterate hoods masquerading as benevolent Godfathers."

But then Pileggi talked to Henry Hill and changed his mind. The narrative that follows in "Wiseguy: Life in a Mafia Family" makes it clear just why. Though Henry Hill — so blandly named because while his mother was Sicilian, his father was Irish — had been only a "mechanic" for the organized-crime family that operated from the turf where he grew up, the Brownsville-East New York sections of Brooklyn, he seems to have learned as much as any capo di tutti capi.

His 25-year career as a gangster or "wiseguy" began in 1955, when, as an 11-year-old, he started running errands for the huge men in silk suits who hung around the cab stand across the street from where he lived. It ended in 1980, with his arrest for conspiring to sell narcotics. Hill acquired a firsthand knowledge of how to break the law and who was doing it, at least in the New York metropolitan area and points to the west and south.

Moreover, to judge from the quotes that form the backbone of Pileggi's narrative, Hill developed an eye for detail and a pungent way of articulating it.

Of Paul Vario, his patron in the crime family headed by Gaetano (Three-Fingered Brown) Lucchese, Hill observes: "The guys who worked for Paulie had to make their own dollar. All they got from Paulie was protection from other guys looking to rip them off. That's what it's all about. That's what the FBI can never understand — that what Paulie and the organization offer is protection for the kinds of guys who can't go to the cops. They're like a police department for wiseguys."

The result of this collaboration is an irresistible oral history of organized crime in New York. It is difficult to know whether to be more impressed by the big stories that Hill tells — of the Boston College basketball point-shaving scandal that he was involved in, or of the $6-million Lufthansa airline robbery and the chain of murders that followed it — or by the homely details of how Hill spent an average day juggling his exhausting criminal career with the demands of his wife, children, mother-in-law and girlfriends.

But what overwhelms and makes a reader dizzy is the pervasiveness of the corruption Hill describes — how easy he says it was for him and his fellow wiseguys to manipulate a labor union, or to buy off the police, or "reach" the members of a jury in a trial, or to continue their scams in prison while convincing the penal system that they were model inmates who would never commit a crime again.

So insouciant is Hill's disdain for the rules that you find yourself infected by his wiseguy contempt for the working stiff, "the timid, law-abiding, pension-plan creatures neutered by compliance and awaiting their turn to die," as Pileggi sums it up.

Except for the violence, the vicious *sadistic* violence. That is what remains incomprehensible in this book. It is not enough to say, as Hill does, "Murder was the only way everybody stayed in line. It was the ultimate weapon. Nobody was immune." It is not just business, because there are men in his story who take great pleasure in breaking bones and spilling blood.

There are men in this story who kill at a whim. Hill tells how his friend James (Jimmy the Gent) Burke, the mastermind of the Lufthansa heist, in a peculiar burst of sympathy once paid a woman $5,000 owed to her by her son and then went out and murdered the son. In another fit of rage, Burke killed his best friend and buried him beneath the cement court where he played boccie. There is no reasonable explanation for Burke, not even his unhappy childhood. There is no explanation for a third of what goes on in "Wiseguy."

It was not Pileggi's mission to explain the excesses of organized crime in the late 20th century. It was to record and lend dramatic shape to the history of one eyewitness. It will justifiably be said that he has done this so well that he has exceeded what a novelist might have imagined. It should be added that Pileggi's most impressive contribution is to provide documentary ballast for Hill's story (by adding his own voice as well as the testimony of Hill's wife and one of his girlfriends) rather than to inflate it.

Still, one misses the refuge of some redeeming justice in the book. It is not enough that Hill himself is not wantonly violent, that he suffers like Lady Macbeth over the smell of a corpse he has transported in his car. It is not enough that his testimony helped to send his most criminal pals to prison. It is disconcerting to know that as of the writing of Pileggi's book, Hill is living comfortably somewhere in the United States with a successful and legitimate business. His children go to private school. He has a Keogh plan.

It is all too emblematic of the American dream. One comes away grateful to Pileggi for revealing Henry Hill's world, but profoundly depressed that such a world exists.

Christopher Lehmann-Haupt is on the staff of The New York Times.

Solution to Friday's Puzzle

E	M	M	A		A	S	P		A	C	S			
L	I	M	P		I	N	S		S	A	P	P	E	R
B	L	I	P		M	A	I	N	S	T	R	E	E	T
A	D	V	I	S	E	R		E	T	H	A	N	E	S
			A	M	E	L	I	A		A	Y	N		
L	E	O	N	E		S	T	R	A	Y		Y	A	T
A	N	S	W	E	R		E	E	G		C	L	U	E
M	A	T	A		H	O	R	D	E		A	A	R	E
A	C	E	Y		E	R	A		R	E	K	N	I	T
S	T	O		F	A	I	T	H		L	E	E	C	H
		P	E	R		S	E	E	S	A	W			
C	O	A	T	E	R	S		L	E	S	A	G	E	S
O	N	T	H	E	A	I	S	L	E		L	I	V	E
B	E	H	E	S	T		P	E	P		K	L	E	E
		R	T	E		A	R	S		S	A	R	D	

2/8/86

BRIDGE

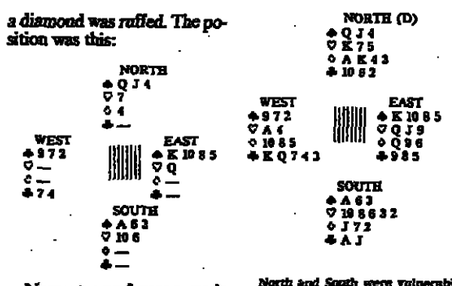
By Alan Truscott

ON the diagramed deal, the South player's optimistic personality showed in his bidding.

Most players would be content with a part-score, but he pushed to four hearts using an artificial rebid of two clubs en route.

The club king was led and taken by the ace. A heart was played to dummy's king and a heart was surrendered to the ace. West's diamond shift was taken by the king, and a club was surrendered to the queen.

The next diamond lead was taken by the ace, a diamond was thrown on the club ten and a diamond was ruffed. The position was this:



Now a trump forces a spade return and the contract is made. In real life, unfortunately, East had one fewer spade and one more club and was not endplayed.

North and South were vulnerable.
The bidding:

North	East	South	West
1 ◇	Pass	1 ♡	Pass
1 N.T.	Pass	2 ♣	Pass
3 ♡	Pass	4 ♡	Pass
Pass	Pass		

West led the club king.

SPORTS BRIEFS

French Kiss Wins 12-Meter Yachting Heat

PERTH, Australia (UPI) — French Kiss won the second heat Sunday of the World 12-Meter Yachting Championships in boisterous seas off Fremantle after America II blew a winning lead when its spinnaker shredded around the forestay.

French Kiss finished the 24.1-nautical-mile (44.6-kilometer) heat in 3:16.27, 53 seconds ahead of Australia III. The winner of Friday's first heat, New Zealand KZ5, was third in a race sailed in five-foot (1.5-meter) waves whipped by 22-knot winds.

The French yacht had won a reprieve Friday to compete in the championships after an international yachting jury ruled that its name did not infringe the International Yacht Racing Union's ban on commercial names for yachts.

Rain Cancels 3d Round of Williams Golf

LA JOLLA, California (UPI) — A steady rain washed out the third round Saturday of the Andy Williams Open golf tournament, shortening it to 54 holes.

Larry Mize held a one-stroke advantage over Rob Tway and Danny Edwards after Friday's round, while nine players, including Bernhard Langer of West Germany, trailed Mize by two strokes. Mize had birdied the par-5 18th hole to card a 68 on Friday and go to 10-under-par 134. His second shot on 18, helped by a tailwind, fell on the back fringe of the green, 20 feet from an eagle. His first putt died inches short of the cup.

Tournament officials decided to eliminate the fourth round rather than play on Monday because NBC television planned to depart for the Hawaiian Open.

Arbitration Gives Bradley a $350,000 Raise

NEW YORK (AP) — Outfielder Phil Bradley of the Seattle Mariners, the eighth-best hitter in the American League last year, became the first major-league player this winter to win his salary arbitration case, gaining an increase Friday of nearly $350,000.

Two other arbitration-bound players signed contracts Friday. They were outfielder Mel Hall and pitcher Dave Von Ohlen, both of the Cleveland Indians.

For the Record

Silke Hoerner, the East German swimmer, set a short-pool world best in the 100-meter breaststroke with a time of 1:07.05 at an international meet Saturday in Bonn. Tracy Caulkins set the previous best of 1:07.47 in January 1981. *(AP)*

Miguel Lora of Colombia retained his World Boxing Council bantamweight title Saturday when he scored a unanimous 12-round decision over Wilfredo Vasquez of Puerto Rico in Miami. The unbeaten Lora, 24, was making his first defense of the crown he won from Daniel Zaragoza of Mexico last August. *(AFP)*

Greg Landry was hired by the Chicago Bears as an assistant coach for wide receivers and quarterbacks. Landry, 40, who had played quarterback for the Detroit Lions, Baltimore Colts and Bears, replaced Ted Plumb; Plumb had followed Buddy Ryan, the Bears' former defensive coordinator, to Philadelphia. *(AP)*

Quotable

● Livingstone Bramble, the World Boxing Association lightweight champion, when asked for a prediction for his upcoming title fight against Tyrone Crawley: "If it goes two seconds into the eighth round, I'll bite him, if I have to." *(AP)*

College Basketball's Elite Have a Bad Day

United Press International

NEW YORK — Memphis State already was missing one of its big guns, and the Nevada-Las Vegas coach, Jerry Tarkanian, took away another Saturday. It was not a good day for U.S. college basketball's higher-ranked teams.

Sixth-ranked Oklahoma (No. 5 according to The Associated Press) was upset by Iowa State, 73-70; No. 17 Notre Dame (No. 14) beat seventh-ranked Syracuse (No. 8), 85-81, and Illinois edged No. 8 Michigan (No. 7), 83-79, in overtime.

Memphis State was ranked No. 4 (No. 3) but was playing without William Bedford, its center. He had been suspended by the National Collegiate Athletic Association for two games for borrowing the car of an athletic booster.

The Tigers trailed by 67-66 with 16 seconds left in the game in Las Vegas. Then their coach, Dana Kirk, called a timeout to set up a play for team star Andre Turner.

Tarkanian countered by inserting Gary Graham, the No. 9 Rebels' best defender, and ordered the squad to double-team Turner while playing a zone against the other three Memphis State players. Turner was trapped and forced to bounce the ball off a UNLV defender with two seconds to go.

On the final inbounds play, Turner got the ball but could not get a shot off, and the Rebels had upset the Tigers.

"Turner is a great shooter," Tarkanian said. "We put Gary Graham in so Turner would not be able to shoot over him."

Freddie Banks, who finished with 26 points to help UNLV improve to 21-2, made a 27-foot jumper to put UNLV ahead, 67-66, with less than two minutes left. Banks missed the first of his one-and-one free throws with 23 seconds remaining.

Memphis State, 21-2, was led by Turner and Baskerville Holmes, each with 16 points.

In Ames, Iowa, Jeff Grayer scored 21 points and Jeff Hornacek 16 to lead Iowa State. The Cyclones squandered a 12-point second-half lead and trailed, 66-65, with five minutes remaining, but Grayer tied the score with a free throw and, after each team got a basket, made another foul shot to put Iowa State ahead.

In Syracuse, New York, Donald-Royal scored 17 of his 20 points in the second half and the Fighting Irish made 41 of 48 free throws to end the Orangemen's 15-game home winning streak.

In Champaign, Illinois, Ken Norman scored 5 of his 22 points in overtime and Tony Wysinger made four free throws in the extra period to lift Illinois to its Big Ten Conference triumph. Wysinger tied the score at 68 with the last basket of regulation time.

Reuters-UPI

Spud Webb, after one of his perfect dunks, had the ball bounce off his head.

Slam It Down, Shoot It Up: NBA Stars Strut Their Stuff

Compiled by Our Staff From Dispatches

DALLAS — It was a day for dunkers, bombers and old-timers.

"The fun is not playing, it's reliving the old lies we tell each other," said the Hall of Famer, Bob Cousy, 57, after the National Basketball Association old-timers' game Saturday.

Spud Webb, who is 5-foot-7 (1.7 meters), won the third annual slam-dunk title with perfect scores on both slams in the final round against defending champion Dominique Wilkins, a teammate on the Atlanta Hawks.

"The crowd helped me get more power into my jumps," said Webb, the shortest player in the NBA. "I can't describe it, it's just something I can do."

"I'm the king of the three-point shooters," Larry Bird, of the Boston Celtics, said after winning the first long-distance shootout. "I always thought I was and I proved it."

The Saturday events, designed as a prelude to Sunday's all-star game, were turning into a major event in their own right. Commissioner David Stern said a scalper outside sold-out Reunion Arena had offered him a $5 ticket for $20.

In the final of the dunk contest, Webb scored 50 when he turned 360 degrees and dunked the ball with one hand. But Wilkins responded with a 50-point 360-degree dunk of his own.

On the second dunk of the final Webb bounced the ball off the floor and the backboard before dunking, again with one hand. He won when Wilkins got 48 points with a double-pump slam.

Bird put on a dazzling display of pressure shooting by making 18 of 25 three-point shots in one minute in the final against Craig Hodges of Milwaukee. Bird had 22 points because he made four shots with balls that counted two points. Hodges managed only 12.

The West beat the East, 53-44, in the old-timers' game as Zelmo Beaty and Calvin Murphy led the way with nine points each. Pete Maravich had 15 for the East. The players ranged in age from Slater Martin, 60, to 37-year-olds Dave Cowens, Murphy and Maravich.

Julius Erving, in Dallas for the all-star game, said Saturday that he had decided to play one more season with the Philadelphia 76ers. Erving, who will be 36 this month, had been thinking about retiring after a 15-year pro career.

In other matters, the owners of the NBA teams met and said that the league was likely to expand by one to three teams. *(AP, NYT)*

هكذا من الاهرام

SPORTS

Opposing Opinions on That Sometimes Dangerous Sport of Professional Boxing

Los Angeles Times Service

LOS ANGELES — Back during the 1984 Summer Olympics, when all of Los Angeles fell in love with the young athletic heroes of that special time, I wrote a paean of praise to a Chicano boxer named Paul Gonzales, who won a gold medal that made every Latino in Los Angeles especially proud.

Gonzales's story read like a movie script. The son of a single mother who raised him on welfare in a tough Los Angeles housing project, Gonzales ran with the local gang until he almost got himself shot to death.

VANTAGE POINT/Frank Del Olmo

He was saved from the barrio streets by a cop who taught him boxing. Then came the Olympics and fame.

I am happy to report that since his Olympic triumph, Gonzales has fulfilled the fondest hopes of all the people who rooted for him during the Games. He has become a prominent and sought-after celebrity — and not only in the Latino community — and he uses his stature for good purposes. I have heard him talk to groups of young people, urging them to stay in school and become the kind of champions academically that he became athletically. He tells them that after pursuing a professional boxing career, he wants to go to college.

Recently, Gonzales fulfilled the expectations of those fans who followed his exploits strictly from an athletic perspective. In only his third professional fight, Gonzales became the North American Boxing Federation's flyweight champion. But somehow, having to report that does not make me very happy.

I watched Gonzales's championship bout on television. The announcer told Gonzales's inspiring story again. His sidekick praised the sheer beauty of Gonzales's boxing skills. Against a veteran opponent, Gonzales skillfully ducked punch after punch, dancing away from danger like a gazelle, while landing his own punches to score points. He won decisively.

Professional boxers who are most popular and who make the most money are usually those who knock the other guy senseless most rapidly.

When it was over, Gonzales handled his victory with all the dignity and class he displayed during the Olympics. He praised his defeated opponent, thanked God and "all my fans for praying for me." I wanted to be excited for the hero from the barrio — but I couldn't.

Something had changed. It was not just that the aura of the Olympics was gone. It was the whole ambiance of professional boxing.

Amateur boxing, as in the Olympics, is as different from professional boxing as fencing is from a duel with real swords. In the former the object is to score points against your opponent. In the latter, the point is to hurt him.

Amateur boxing matches last for three rounds of three minutes each. The participants wear protective headgear and heavy gloves. Professional bouts also have three-minute rounds, but there can be anywhere from 6 to 15 of them. (Gonzales's fight lasted 12 rounds.) There is no headgear and the gloves are lighter.

Most important, the professional boxers who are most popular and who make the most money are usually not those who fight with evasive skill, but those who knock the other guy senseless most rapidly and dramatically. That is the way most pro fighters attack each other. Skilled tacticians like Gonzales are rare.

As I watched Gonzales bob and weave so carefully, I kept remembering the last boxer I saw fight that way. He was another inspiring symbol whose career I followed closely: the former heavyweight champion Muhammad Ali. Whenever I recall what he was like in his heyday, the image of what he is today takes over. Ali is still strong and handsome, and a symbol of pride to the black community. But no one can honestly claim that he is the same man. His speech is slower and, if you listen carefully, it is slurred. That is because even the best fighters sometimes take hard blows to the head. As Los Angeles Times columnist Jim Murray once wrote, "The human brain was not built to withstand a 45-minute barrage of bludgeons to the head, as any Gestapo goon or Mafia enforcer could tell you." On Sunday, Gonzales took a few.

Thoughtful sports reporters have suggested many times that professional boxing be banned, or at least radically reformed, so I am not going to try and match their eloquence. I just hope that they succeed someday. In the meantime, I had to write what I feel about Gonzales' new pro career before anything bad happens: It is a mistake, and he should quit while he is ahead.

Gonzales has proven what he can do, after all, both as an amateur and as a pro. The luster of his achievements will not be dimmed, and he still can go on being a role model to Latino kids.

It would be hard to quit, of course. The television networks want him to fight for a world championship soon, and that is a lot of money to walk away from. And there are many Latinos who will root Gonzales on because they like pro boxing. But I do not anymore. So if Paul Gonzales goes on fighting, I will not be watching. Just praying.

Press Sports

David Pearce, left above, who fought Lucien Rodrigues for the European heavyweight title, has for two years raged against the British Boxing Board of Control's suspension of his license. His family, his manager, trainer and lawyer have fought in his corner. What is more, five medical specialists support his campaign to continue boxing.

International Herald Tribune

LONDON — Most of us clearly know where we stand on the medical aspects of boxing.

Slurred speech, slowing movement or loosening intellect in one we once called the greatest form grave suspicions. Much more so the 400 dead pugilists around the world since World War II, some during public spectacle, some in clinics, some further removed from boxing.

One thing on which most caring people would agree is that if the brain of a young man, even a rising champion, shows the slightest sign of abnormality he must not be allowed within striking distance of a ring.

As automatic, surely, as any reflex? Yet for two years heavyweight David Pearce has raged against the British Boxing Board of Control's suspension of his license. His family, his manager, trainer and lawyer have fought in his corner.

What is more, five medical specialists support his campaign to continue boxing.

They know the abnormality exists. Their independent reports describe it as a congenital, mild enlargement of the cavity between the halves of the brain. This, they say, was not caused by boxing, has not deteriorated and does not make Pearce more vulnerable than any other fighter to death or incapacity.

In Japan, the only country that makes brain scans compulsory, 28 boxers were banned for life last November because the width of the central gap between the lobs of their brains was larger than usual. The Japanese boxing board believed that this made them more likely to suffer damage from a punch, even though the men were in every other sense normal.

But the paperwork I have seen recommends that Pearce be permitted to resume boxing.

R. Campbell Connolly, a neurosurgeon, has appeared as a consultant before the British boxing board's stewards to tell them that Pearce should be permitted to continue. The doctor was asked if he would let his son box. He replied that, as a member of the British Medical Association, which calls for the abolition of the sport, he was against boxing. But, he added, on the evidence of the brain scans and the detailed examinations he had made of Pearce, on two occasions 11 months apart, he could not refuse Pearce the right to fight.

Pearce has seen his X-rays. "I know what's on the scans," he says. "I know I haven't got brain *damage*."

His words are clear and lucid, rounded by his upbringing in South Wales, where the language is lyrically pure, and where boxing has a tradition as long as the region's coal seams. Pearce's father fought bare-fisted in the old fairground booths and raised his seven sons to box.

VANTAGE POINT/Rob Hughes

David Pearce became the star pupil, winning the British title. He claims that, despite conceding as much as 15 pounds to most heavyweights, he never has been knocked out.

"You know what a K.O. is?" he asks. "It's a hemorrhage on the brain. It leaves a scar that's brain damage. I never had one. I fight in the mold of [Rocky] Marciano and Smokin' Joe [Frazier], but Dad gave me a defense. I take the blows there." He pointed to arms that are like granite.

The face, too, is deceptively unmarked after 80 amateur and 22 professional bouts. Only seven of those 102 were lost. There is no scar tissue, no squint, no flattened nose. At 26 he still lives with his parents, and has few outside interests. Where he would appear to be vulnerable is in a nature too trusting for the trade his father chose.

There was a marked decline in his last performance, a savage defeat in the European championship bout by Lucien Rodrigues in Paris in March 1984. But Pearce twice floored the Frenchman, and his backers stress that it was Rodrigues, not Pearce, who went to hospital with headaches.

Pearce also says he has an excuse for the below par effort: He slept the previous night on a London airport bench because of a mix-up between his trainer-father and a former manager.

The dilemma for the British boxing board is obvious. It had, and maybe has, cause to suspect Pearce's fitness and is entitled to fear repercussions should harm befall him in the ring.

Yet Pearce has paid for the best neurological advice money can buy — and he says he has been refused explanation as to why the board rejects that advice.

Adrian Whiteson, British boxing's medical officer, said in December that "the safety of any person is paramount. Boxing *is* a dangerous sport and we must ensure participants are 100 percent fit."

Whiteson promised chapter and verse on the board's ruling after Pearce's latest appeal, in late January.

At that point the affair took a legal twist, and the doctor was ordered to say nothing. Pearce's lawyer had suddenly withdrawn the appeal after being told that the board had known all along of rules by the World Boxing Council, the World Boxing Association and the European Boxing Union that bar a fighter from major title bouts following an irregular brain scan.

The lawyer is now preparing a claim for £30,000 ($41,700) — the cost of Pearce's legal and medical fees — against the board. Pearce has bills he cannot pay.

But Pearce also has read the reports of boxers dying. And so what makes him still plead to go on, why most mornings he slogs, without real purpose, 4 to 5 miles (6 to 8 kilometers) over the hills around his home in Newport.

"Can't people understand I'm not a builder's laborer, nor carpenter, nor electrician?" he retorts. "I'm a professional fighter. I've known nothing else, I'm 26, and I've boxed since I was 5."

Unexpected Victories Make For Some Firsts

Compiled by Our Staff From Dispatches

MORZINE, France — Markus Wasmeier, starting first Sunday on a choppy, frozen super-giant slalom course, gave West Germany its first World Cup victory since 1979, and in Hrebienok, Czechoslovakia, Corinne Schmidhauser of Switzerland won a special slalom for her first cup victory.

Saturday in Morzine, Peter Müller of Switzerland finally won his first downhill this season, and in Skalnate Pleso, Czechoslovakia, Mateja Svet, 17, won a giant slalom for Yugoslavia's first victory in women's World Cup skiing.

Wasmeier won his race by more than a second over Marc Girardelli of Luxembourg, the overall World Cup leader. Wasmeier won the 1985 world championship in the giant slalom, but had never won a cup race in three seasons. He made it a double victory by winning the combined event formed by the super-G and the downhill Saturday, when he finished 16th.

"I'm very pleased because it was a very difficult race," said Wasmeier, who completed the 1,660-meter (1,815-yard), 44-gate course in 1 minute, 22.32 seconds.

He took the lead in both the super-giant and combined standings. Wasmeier has 60 super-giant points to Girardelli's 45 and has 64 combined points, three more than Müller and Austria's Leonhard Stock.

In Hrebienok, in the Tatra mountains, the 21-year-old Schmidhauser was 0.47 seconds behind Czechoslovakia's Olga Charvatova after the first run of the special slalom. But Charvatova fell on the second run and Schmidhauser beat out Italy's Nadia Bonfini by 0.16 seconds.

Erika Hess of Switzerland, who was third, another .56 seconds back, regained the overall cup lead from Maria Walliser, a compatriot, who fell on the second run.

On Saturday in Morzine, Müller narrowly beat Stock in the downhill, finishing at 1:53.81 to the Austrian's 1:54.86.

In Skalnate Pleso on Saturday, Yugoslavia's Svet was fastest on both giant slalom runs with heat times of 53.48 and 55.23 seconds for a winning aggregate of 1:48.71. A surprise runner-up was Blanca Fernández-Ochoa of Spain, who trailed by 0.48. *(UPI, AFP, AP)*

WORLD CUP SKIING

Reuters-UPI

Billy Olson let it be known that he had broken the world pole vaulting mark set a few hours earlier by Sergei Bubka.

Bubka, Then Olson Break Vault Mark

The Associated Press

EAST RUTHERFORD, New Jersey — Billy Olson pole vaulted 19 feet, 5½ inches (5.93 meters) on Saturday night to break the world indoor mark set a few hours earlier in Moscow by Sergei Bubka.

Olson, 27, cleared the height on his first attempt at the U.S. Olympic Invitational meet at the Meadowlands Arena.

Bubka, 22, had gone 19-5 earlier Saturday at the Soviet national indoor championships. He holds the world outdoor record, at 19-8. Indoor marks are not officially recognized as records.

Olson's vault marked the seventh time this winter that the world indoor best has been broken as he, Bubka and Joe Dial of the United States have engaged in an extraordinary display of one-upmanship.

Prior to Bubka's vault, Dial had held the mark for one week after he went 19-4¾ last Saturday in Columbia, Missouri. The week before that, Olson cleared 19-3¾ in Albuquerque, New Mexico.

On Jan. 17, Olson had gone 19-3¾ in Los Angeles, responding to Bubka's 19-3 two days earlier in Osaka, Japan. The opening shot in the winter battle was fired by Olson at 19-2¾ at a Dec. 28 meet in Saskatchewan, Canada.

Olson's vault on Saturday marked the 11th time in his erratic career that he had bettered the indoor mark.

"It feels very good to me, but that, without a doubt, was the worst jump I had at a world record," he said. "It was a terrible, terrible jump. I had a bad takeoff. I hit way under" the bar "and still made it."

After clearing 19-5½, Olson had the bar raised to 19-8½. But he was unsuccessful in two attempts, before passing up his third try.

"I know without question I can jump three or four or five inches higher this year," he said. "I'm sure Sergei can too."

Olson and Dial are to compete head-to-head for the first time this season on Friday night in New York.

Olson, plagued by injuries last year, had jumped poorly and thought of quitting.

"But I wanted to jump indoors this season," he said.

Olson's performance in Saturday night's meet overshadowed the triumphant return to competition of Evelyn Ashford, the sprinter. Ashford, in her first race since Aug. 31, 1984, won the women's 55-meter dash in 6.68 seconds.

She had been away from the sport for more than 17 months to prepare for the birth of her first child, a daughter, Raina.

In Moscow, Bubka cleared 19-5 on his first try at the height, the official news agency Tass reported.

■ **Budd's 3,000-Meter Mark**

Zola Budd of Britain posted a world indoor best of 8:39.79 for the women's 3,000 meters in an international meet against Hungary on Saturday, The Associated Press reported from Cosford, England.

At first, Budd's time was given as 8:39.66, but officials later corrected it. The 19-year-old South African-born runner broke the mark of 8:42.30 set by Olga Bondarenko of the Soviet Union.

Cornelia Oschkenat of East Germany shaved 0.02 second off her women's indoor world best performance when she ran the 50-meter hurdles in 6.71 seconds at a meet in Berlin on Saturday, Agence France-Presse reported.

Maricica Puica of Romania won the women's 1,500 meters on Friday with a time of 4:14.17 at an indoor meet in Ottawa, United Press International reported. It was a world best for the type of track, classified as a world-class A track, which has 11 laps to the mile.

SCOREBOARD

Basketball

Selected U.S. College Results

FRIDAY'S RESULTS
EAST
Brown 74, Pennsylvania 72
Cornell 71, Harvard 51
Dartmouth 68, Columbia 64
Pittsburgh 88, Villanova 71
Yale 52, Princeton 47
FAR WEST
Idaho 73, Idaho St. 66 (OT)
Montana 73, Northern Arizona 71
SATURDAY'S RESULTS
EAST
Amherst 74, Bramdies 67
Babson 68, Rhode Island Coll. 66
Binghamton 94, Pittsburgh St. 71
Bridgewater, Mass. 73, Westfield St. 65
Bucknell 81, Delaware 73
Canisius 60, Siena 58, OT
Clarion 60, Indiana, Pa., 55
Columbia 68, Harvard 49
Connecticut Coll. 74, Williams 70
Dartmouth 63, Cornell 49
Duquesne 65, Penn St. 55
Fairfield 55, La Salle 53
Fairmont St. 84, Concord 62
George Mason 83, American U. 59
George Washington 73, Rutgers 59
Georgetown 81, Seton Hall 54
Hobart 79, Clarkson 56
Hofstra 66, Drexel 65
Holy Cross 67, Army 64
Hunter 79, CCNY 73
Iona 81, Manhattan 64
Ithaca 78, St. Lawrence 62
Lafayette 89, Lehigh 79
Loyola, Md. 77, Wagner 75
Maryland 78, Clemson 69
Massachusetts 80, Rhode Island 59, OT
New Haven 98, Lowell 65
Niagara 83, Maine 53
Northeastern 75, Boston U. 67
Notre Dame 85, Syracuse 81
Old Westbury 94, New Paltz 65
Penn 71, Yale 67
Princeton 54, Brown 53
Springfield 74, Stonehill 60
St. John's 87, Boston Coll. 75
St. Joseph's 66, Temple 63
SOUTH
Alabama-Birmingham 82, South Carolina 54
Auburn 82, Georgetown 58
Austin Peay 78, E. Kentucky 64
Centenary 69, Houston Baptist 59
Furman 82, Marshall 81
Georgia 62, Mississippi St. 61
Jacksonville 82, South Florida 54
Kentucky 62, Mississippi 58
N. Carolina St. 74, Louisville 64
Navy 63, James Madison 51
North Carolina 91, Wake Forest 62
Nova 75, Edward Waters 71
Old Dominion 84, South Alabama 52
S. Mississippi 102, Florida St. 96
Tennessee 88, Auburn 79
Vanderbilt 88, Florida 59
VMI 82, Citadel 76
W. Kentucky 78, N.C.-Charlotte 68
MIDWEST
Bradley 78, Creighton 59
Dayton 79, Miami, Fla. 68
Detroit 80, Xavier, Ohio 71
Drake 61, Tulsa 58
Illinois 88, Michigan 79, OT
Indiana 76, Northwestern 32
Iowa St. 78, Oklahoma 70
Kansas 65, Oklahoma St. 59
Kansas St. 77, Colorado 53
Missouri 76, Iowa St. 65
Northwestern 78, DePaul 65, OT
Akron, Ohio 72, N. Illinois 69
N. Dakota St. 83, South Dakota 68
Nebraska 75, Missouri 66
Nebraska-Omaha 78, Hastings 65
Ohio St. 78, Wisconsin 71
Ohio U. 74, Bowling Green 57
Purdue 88, Michigan St. 82
St. Louis 76, Oral Roberts 62
W. Michigan 79, Toledo 69
Wichita St. 77, Indiana St. 76
SOUTHWEST
Rice 82, Texas Tech 50
So. Methodist 58, Texas A&M 56
Texas 61, Arkansas 57
Texas Christian 67, Baylor 47
Texas-El Paso 71, Air Force 47
FAR WEST
Brigham Young 74, Hawaii 66
California 83, Arizona St. 61
Long Beach St. 56, San Jose St. 55
Montana 92, Nev.-Reno 75
New.-Las Vegas 67, Memphis St. 66
Oregon 60, Oregon St. 47
Pepperdine 61, San Diego 60
Portland 54, San Francisco 52
Stanford 62, Arizona 56
Utah 59, San Diego St. 58
Utah St. 63, New Mexico St. 55
Washington 70, Southern Cal 64
Weber St. 84, Idaho 57
Wyoming 67, New Mexico 65

NBA All-Star Rosters

Rosters for the NBA's 36th annual All-Star Game, to have been played Feb. 9 at Dallas (rosters include height, weight and scoring average through the All-Star break; * denotes starter):

EAST
Head Coach: K.C. Jones, Boston

No. Player, Team	Ht	Wt	Avg.
Centers			
00 Robert Parish, Bos	7-0	230	16.0
2 Moses Malone, Phi-x	6-10	255	22.0
3 Patrick Ewing, NY	7-0	240	20.9
Forwards			
6 Julius Erving, Phi-x	6-7	205	18.7
21 Dominique Wilkins, Atl	6-7	200	28.4
32 Kevin McHale, Bos	6-10	225	22.2
33 Larry Bird, Bos-x	6-9	220	24.3
52 Buck Williams, NJ	6-8	225	15.4
Guards			
4 Sidney Moncrief, Mil-x	6-4	190	20.0
10 Maurice Cheeks, Phi	6-1	186	14.5
11 Isiah Thomas, Det-x	6-1	185	20.3
24 Jeff Malone, Was	6-4	205	21.2

WEST
Head Coach: Pat Riley, L.A. Lakers

No. Player, Team	Ht	Wt	Avg.
Centers			
33 Karm Abdul-Jabar, LAL-x	7-2	232	23.6
34 Akeem Olajuwon, Hou	7-0	250	23.3
53 Artis Gilmore, SA	7-2	265	17.3
Forwards			
2 Alex English, Den	6-7	190	29.3
4 Adrian Dantley, Utah	6-6	218	29.8
42 James Worthy, LAL-x	6-9	225	20.5
50 Ralph Sampson, Hou-x	7-4	228	17.9
Guards			
8 Moreses Johnson, LAC	6-7	220	21.4
21 Alvin Robertson, SA-x	6-4	190	17.8
22 Rolando Blackman, Dal	6-6	190	19.9
23 Clyde Drexler, Port	6-7	210	17.3
32 Magic Johnson, LAL-x	6-9	220	17.7

Tennis

NATIONAL INDOOR CHAMPIONSHIP
(At Memphis, Tennessee)
Semifinals
Brad Gilbert, U.S., def. Anders Jarryd, Sweden, 6-3, 6-0.
Stefan Edberg, Sweden, def. Mikael Pernfors, Sweden, 4-6, 7-5, 6-1.

Hockey

NHL Standings

WALES CONFERENCE
Patrick Division

	W	L	T	Pts.	GF	GA
Philadelphia	34	15	2	75	220	165
Washington	33	16	4	70	213	185
N.Y. Islanders	26	19	10	62	220	193
Pittsburgh	24	24	6	54	204	192
N.Y. Rangers	24	26	4	52	187	187
New Jersey	15	36	2	32	191	254
Adams Division						
Montreal	37	19	5	67	239	184
Quebec	30	20	4	64	224	187
Boston	26	21	7	59	213	195
Buffalo	26	23	5	57	207	192
Hartford	26	26	1	53	216	201
CAMPBELL CONFERENCE						
Norris Division						
Chicago	25	21	7	57	241	226
St. Louis	23	22	7	53	198	204
Minnesota	20	24	9	49	217	214
Toronto	15	33	5	35	205	261
Detroit	12	37	5	29	184	284
Smythe Division						
Edmonton	37	12	6	80	289	224
Calgary	24	22	6	54	225	205
Vancouver	17	27	7	41	192	212
Los Angeles	17	30	6	40	195	262
Winnipeg	17	33	5	39	200	257

FRIDAY'S RESULTS
Montreal 1 0 1—2
Washington 2 1 0—3
Murphy (14), Howarth (26), Gustafsson (17); Dahlin (26), Smith (22). Shots on goal: Montreal (on Peeters) 7-7-7—21; Washington (on Seetaert) 10-15-2—27.
Winnipeg 0 2 1—3
Vancouver 1 2 2—5
Sundstrom (11), Lemay (15), Gradin 2 (8), Smyl (19); Hawerchuk (35), Mullen (15). Shots on goal: Winnipeg (on Brydeur) 7-4-10—21; Vancouver (on Hayward) 11-8-5—24.

SATURDAY'S RESULTS
Minnesota 0 2 1 0—3
Philadelphia 2 1 0 0—3
Bellows (24), Hartsburg (8), Bellows (25); Ron Sutter (9), McCrimmon (8), Howe (17). Shots on goal: Minnesota (on Fresse) 8-14-7-0—29; Philadelphia (on Casey) 16-12-8-3—39.
N.Y. Rangers 2 0 1—3
Boston 0 0 2—2
Sandstrom (18), Laroche (2), Huber (5); Skinner (21), Thelin (2). Shots on goal: New York (on Ripplin) 7-8-4—19; Boston (on Vanbiesbrouck) 16-8-13—37.
Chicago 2 2 1—5
Quebec 3 1 4—8
P.Stastny 2 (28), A.Stastny (21), Anderson (18), Shaw (5), Cote (7), Kumpel (9), Gillis (12); Sutter 2 (9), Larmer 2 (12), Savard (36). Shots on goal: Chicago (on Gosselin) 7-8-7—22; Quebec (on Bannerman) 10-12-15—37.
Buffalo 3 1 0—4
Hartford 0 0 2—2
Ramsey (5), Hamel (13), Lacombe (6), Tucker (23); W.Babych (16), Lewiska (15). Shots on goal: Buffalo (on Llut) 13-7-6—26; Hartford (on Barrasso) 14-9-13—36.
Montreal 1 2 2—5
Detroit 2 1 0—3
Smythe Division
Edmonton 6 3 2—11
Vancouver 1 2 2—5
Messier 2 (38), Chabot (10), Manlow (11). Shots on goal: New Jersey (on Romano) 7-8-12—27; Pittsburgh (on Chevrier) 19-15-3—39.
Edmonton 1 2 1 0—4
Washington 2 1 0 1—4
Carpenter (18), Adams (15), Patterson (10), Gould (19), Gustafsson (18); Hunter (2), Summanen (14), Coffey (29), Kurri (40). Shots on goal: Edmonton (on Peeters) 8-7-10-2—35; Washington (on Mapp) 18-12-9-2—41.
St. Louis 1 0 1 0—2
Toronto 1 0 1 1—3
P.Hancock (11), Clark (19), Courtnall (15); Wickenheiser (21), Federko (28). Shots on goal: St. Louis (on Wregget) 5-7-11-1—24; Toronto (on Wamsley) 16-9-13-1—39.
N.Y. Islanders 0 2 2—4
Los Angeles 1 1 1—3
Bossy 2 (48), O.Sutter (15), Bourne (5); Taylor (24), Erickson (11), Paterson (5). Shots on goal: New York (on Elliot) 11-13-15—39; Los Angeles (on Hrudey) 14-7-10—31.

World Cup Skiing

MEN'S DOWNHILL
(At Morzine, France)
1. Peter Müller, Switzerland, 1 minute 53.81 seconds
2. Leonhard Stock, Austria, 1:54.86
3. Atle Skaardal, Norway, 1:54.94
4. Gerhard Pfaffenbichler, Austria, 1:55.07
5. Gustav Oehrli, Switzerland, 1:55.09
6 tie Martin Bell, Britain, 1:55.21
and Erwin Resch, Austria, 1:55.21
8. Michael Mair, Italy, 1:55.27
9. Michael Brown, U.S., 1:55.42
MEN'S SUPER-GIANT SLALOM
(At Morzine)
1. Markus Wasmeier, West Germany, 1:22.32
2. Marc Girardelli, Luxembourg, 1:23.36
3. Hubert Strolz, Austria, 1:23.61
4. Gunter Mader, Austria, 1:23.69
5. Hans Enn, Austria, 1:23.98
6. Pirmin Zurbriggen, Switzerland, 1:24.16
7. Hans Stuffer, West Germany, 1:24.48
8. Leonhard Stock, Austria, 1:24.49
9. Martin Hangl, Switzerland, 1:24.66
MEN'S OVERALL STANDINGS
1. Marc Girardelli, Luxembourg, 212 points
2. Peter Müller, Switzerland, 186
3. Markus Wasmeier, West Germany, 169
4. Peter Wirnsberger, Austria, 143
5. Pirmin Zurbriggen, Switzerland, 141
6. Leonhard Stock, Austria, 138
7. Ingemar Stenmark, Sweden, 127
8. Rok Petrovic, Yugoslavia, 125
9. Hubert Strolz, Austria, 118
10. Michael Mair, Italy, 108
WOMEN'S GIANT SLALOM
(At Vysoke Tatry, Czechoslovakia)
1. Mateja Svet, Yugoslavia, 1:48.71
2. Blanca Fernandez Ochoa, Spain, 1:49.19
3. Traudl Haecher, West Germany, 1:49.47
4. Erika Hess, Switzerland, 1:49.92
5. Perrine Pelen, France, 1:50.11
6. Ingrid Salvenmoser, Austria, 1:50.22
7. Maria Walliser, Switzerland, 1:50.24
8. Tamara McKinney, U.S., 1:50.54
9. Helene Barbier, France, 1:50.46
WOMEN'S SLALOM
(At Vysoke Tatry)
1. Corinne Schmidhauser, Switzerland, 1:24.57
2. Nadia Bonfini, Italy, 1:24.73
3. Erika Hess, Switzerland, 1:25.13
4. Brigitte Gadient, Switzerland, 1:25.26
5. Tamara McKinney, U.S., 1:25.29
6. Roswitha Steiner, Austria, 1:25.33
7. Anni Kronbichler, Austria, 1:25.42
8. Perrine Pelen, France, 1:25.68
9. Daniela Zini, Italy, 1:25.87
WOMEN'S OVERALL STANDINGS
1. Maria Walliser, Switzerland, 218 points
2. Erika Hess, Switzerland, 210
3. Vreni Schneider, Switzerland, 178
4. Michela Figini, Switzerland, 163
5. Brigitte Oertli, Switzerland, 143
6 (tied) Marina Kiehl, West Germany, 129
and Katrin Gutensohn, Austria, 129
8. Michaela Gerg, West Germany, 127
9. Mateja Svet, Yugoslavia, 125
10. Olga Charvatova, Czechoslovakia, 112

Soccer

ENGLISH FIRST DIVISION
West Bromwich Albion 1, Birmingham City 0
Oxford United 4, Chelsea 1
Manchester City 2, Queens Park Rangers 0
Newcastle United, Nottingham Forest 1
Luton Town 2, Southampton 1
Coventry City 1, Tottenham Hotspur 0
Liverpool 1, Manchester United 1
Watford vs. Everton, ppd., weather
Aston Villa vs. West Ham, ppd., weather
Ipswich Town vs. Arsenal, ppd., weather
Sheffield Wed vs. Leicester, ppd., weather
Points: Everton 56; Manchester United 54; Chelsea 54; Liverpool 54; West Ham 51; Luton 47; Nottingham Forest, Arsenal, Sheffield Wednesday 46; Newcastle 42; Manchester City 41; Watford 39; Tottenham 38; Southampton 34; Queens Park Rangers 33; Coventry City 31; Leicester City 27; Oxford, Ipswich 26; Aston Villa 25; Birmingham 21; West Bromwich 16.
FRENCH FIRST DIVISION
Bastia 0, Toulouse 2
Lens 1, Nancy 0
Monaco 3, Lille 2
Paris St. Germain 1, Le Havre 0
Toulon 2, Brest 3
Rennes 1, Marseille 2
Strasbourg 1, Auxerre 3
Metz 2, Laval 1
Sochaux 2, Nice 0
Nantes vs Bordeaux, ppd
Points: Paris-SG 46; Nantes 38; Bordeaux 37; Auxerre 33; Monaco, Lens 32; Toulouse 31; Metz 30; Nice, Nancy 29; Laval 28; Lille, Sochaux 27; Marseille, Toulon, Le Havre, Brest 25; Rennes 24; Strasbourg, Bastia 18.
ITALIAN FIRST DIVISION
Atalanta 0, Juventus 0
Bari 0, Pisa 0
Fiorentina 1, Como 0
A.C. Milan 2, Sampdoria 2
Napoli 1, Lecce 0
Torino 0, Roma 1
Udinese 3, Avellino 1
Verona 0, Inter Milan 0
Points: Juventus 32; Roma 28; Napoli, Milan 24; Torino 22; Fiorentina, Internazionale 21; Sampdoria, Verona 19; Pisa, Atalanta 18; Como, Avellino 17; Udinese, Bari 15; Lecce 10.
SPANISH FIRST DIVISION
Barcelona 3, Hercules 1
Cadiz 0, Sevilla 4
Valladolid 0, Athletic Bilbao 1
Real Madrid 2, Osasuna 0
Celta 0, Atletico Madrid 1
Gijon 2, Zaragoza 2
Real Sociedad 1, Santander 1
Betis 1, Espanol 0
Valencia 1, Las Palmas 1
Points: Real Madrid 40; Barcelona 36; Athletic Bilbao 31; Atletico Madrid 29; Gijon 28; Sevilla, Real Sociedad 27; Zaragoza, Betis 25; Valladolid 22; Espanol 21; Cadiz 20; Santander, Hercules, Valencia, Las Palmas 18; Osasuna 15; Celta 11.
WEST GERMAN FIRST DIVISION
VfB Stuttgart 7, Hannover 0
Bayern Munich 5, 1. FC Saarbruecken 1
Schalke 2, Bayer Uerdingen 0
Borussia Dortmund 1, Fortuna Duesseldorf 2
Bayer Leverkusen 0, 1. FC Nuremberg 0
Eintracht Frankfurt 1, VfL Bochum 0
Bor Moenchengladbach 2, Hamburger SV 1
Werder Bremen 2, 1. FC Cologne 0
Waldhof vs. Kaiserslautern, ppd., weather
Points: Werder Bremen 35; Bayern Munich, Bor. Moenchengladbach 31; Bayer Leverkusen 27; SV Hamburg 25; VFB Stuttgart, Bayer Uerdingen 23; Waldhof Mannheim 21; Eintracht Frankfurt 20; VFL Bochum, Schalke, Borussia Dortmund 19; Kaiserslautern, Cologne, Nuremberg 18; Saarbruecken 15; Fortuna Düsseldorf, Hanover 14.
INTERNATIONAL FRIENDLIES
Hong Kong 0, South Korea 2
Argentina 5, Poland 4

Capitals Sweep Oilers With Overtime Victory

Compiled by Our Staff From Dispatches

LANDOVER, Maryland — Bengt Gustafsson's goal, at 3:42 of sudden-death overtime in Saturday night's game, gave the Washington Capitals a 5-4 victory over the Edmonton Oilers and a three-game sweep of the season series against the Stanley Cup champions.

The Capitals, who extended their winning streak to four games, have not been beaten in their last 20 overtime games.

"Losing three to them doesn't mean a thing as far as I'm concerned," said Edmonton's coach, Glen Sather. "It's no disgrace to lose to this team."

Said Washington's captain, Rod Langway: "It's two points, and shows we can play well under pressure. It doesn't mean much as far as an advantage is concerned, but it proves we can play when we want to."

The Capitals, who never trailed in the game, broke the Oilers' seven-game unbeaten streak, a seven-game road unbeaten streak, and their 17-game overtime unbeaten streak. They also extended Wayne Gretzky's goal-less streak to six games, his longest drought since seven games in his rookie season of 1979-80.

Gretzky's linemate, Jari Kurri, did get a goal, his 40th of the season, to give him the league goal-scoring lead. It tied the score at 8:24 of the third period.

An Edmonton shot had deflected off the leg of the Capitals' Craig Laughlin and was headed toward the left-wing corner when Dave Hunter reached out and gathered in the puck. He fed Gretzky in the slot, and Gretzky passed it off to Kurri near the right post for an easy shot.

In setting up the Capitals' winning goal, Larry Murphy carried the puck around the Edmonton net and set up Dave Christian for a close-range shot. Goalie Andy Moog stopped it, but the puck lay on the goal line, and Gustafsson shoved it across.

The Capitals had dominated the first period, outshooting the Oilers by 18-8 and building a 3-1 lead. The Oilers' only goal was a fluke, the puck striking the glass and bouncing in off the back of goalie Pete Peeters' ankle. *(WP, AP)*

NHL FOCUS

Tough Sledding At Lake Placid

The Dutch two-man bobsled team had a tough ride during the competition Saturday in the World Cup championships at Lake Placid, New York. Although the driver, Burt Alting, had his head banged against the wall, he and Jan DeGroot finished the run.

AP

A New Look at the Age of the Queen of Sheba

By Colin Campbell
New York Times Service

THE Queen of Sheba is described in the first Book of Kings, Chapter X, as having visited King Solomon in Jerusalem "with camels bearing spices, and very much gold, and precious stones." She tested the wise king with "hard questions," evidently *got the right answers, and then* departed as mysteriously as she had arrived.

Did she really exist? Many scholars and archaeologists have assumed that the Biblical land of Sheba was in southwestern Arabia, where the ancient Greeks placed the Sabaeans and where some noble ruins testify to the inhabitants' former glory. So perhaps, since her country existed, the Biblical Queen of Sheba existed.

One flaw in this hypothesis has been that Solomon ruled Israel in *the 10th century B. C., three* centuries earlier than the oldest known remains of Sheba's highest civilization.

But an archaeologist at the University of Pennylvania, James A. Sauer, who has headed an archaeological project in the area of ancient Sheba for the past five years, argues that Sheba is older than some scholars have believed.

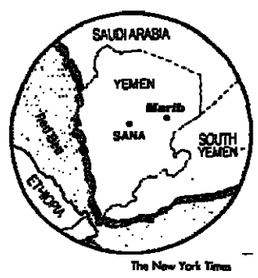
Sauer's hypothesis, stated in a recent paper on the project, is based partly on an excavation in a dry valley called Wadi al-Jubah, about 25 miles (40 kilometers) south of the remains of the Sheba *capital at Marib, in eastern North* Yemen.

The cut was made in a likely looking mound called Hajar at-Tamrah, the Mound of the Date Palm, and near its bottom archaeologists found broken pottery and a piece of timber that radiocarbon tests indicated was from the 13th century B. C. In such tests traces of carbon 14, a natural radioactive isotope of carbon, are used to determine the age of fossil and archaeological remains.

At a larger mound, Hajar ar-Rayhani, American excavators have turned up pottery, ash and evidence of a copper foundry dating to the 7th century B. C. The diggers have yet to reach the oldest layers of the mound.

Sauer believes that further excavations will provide evidence for those who have assumed that

Two sculptures believed to have been made during Queen of Sheba's reign.



The New York Times

Sheba was a considerable trading nation by the time of Solomon, and was capable of sending a monarch to visit another rich monarch whose capital lay 1,400 miles to the north.

"These findings are very preliminary," Sauer said recently at the University of Pennsylvania Museum in Philadelphia. "But they fit in with recent excavations in Saudi Arabia, where some very early finds have also turned up, also older than the 10th century B. C., and I think they demolish the idea that South Arabian civilization *is too young to have sent a* queen to Jerusalem."

Although excavations since the 1920s have convinced some specialists that southern Arabian civilization dates to the 10th or 11th century B. C., part of the evidence for this chronology comes from excavations in South Yemen rather than from the area around Marib. In ancient times there were several kingdoms in southern Arabia, including Hadhramaut, Main and Qataban as well as Sheba.

In Sheba, a great stone dam *near Marib, an elegant temple to* the local moon god, bronze and albaster statues and other signs of wealth and civilization date from considerably later than Solomon's time.

Another factor that has cast doubt on the idea that Solomon and the Queen of Sheba actually met has been the argument by the Belgian scholar Jacqueline Pirenne that the many inscriptions *from the ancient kingdoms of* southern Arabia were based on the Greek alphabet, and that the area's high civilization, heavily influenced by the Greeks, probably dated back no further than about the 5th century B. C.

This thesis, advanced since the mid-1950s, has been rejected by most American linguists and archaeologists. They say that the alphabets of southern Arabia derived, not from the Greek alphabet, but from northern Semitic alphabets such as the Phoenician, from which the Greek alphabet was also derived.

Dr. Gus W. Van Beek, curator of anthropology at the Smithsonian Institution in Washington, also believes in the plausibility of a Queen of Sheba visiting Solomon, although her visit would have been for trade and economic reasons, the normal modern explanation, rather than to test Solomon's wisdom.

Van Beek cautioned that carbon 14 dates could be misleading, and that further samples must be taken. Sauer agrees, and has pointed out that the piece of wood from Wadi al-Jubah that the carbon 14 test *dated in the* 13th century B. C. could have been a century or more old when used in that settlement, and thus older than the pottery and other signs of human culture found in the same layer.

Van Beek's research in southern Arabia makes him think that high civilization in the area dates to perhaps the 10th or 11th century B. C., when it was imported from the Tigris-Euphrates Valley and the eastern Mediterranean coast, but not as far back as the 13th century.

Van Beek was a member of a major expedition in southern Arabia in the early 1950s that was organized by Wendell Phillips and included the eminent biblical archaeologist William F. Albright. Van Beek conducted detailed investigations at Hajar Bin Humeid, a site south of where Sauer has been working. Hajar Bin Humeid was part of the ancient kingdom of Qataban. Today the site is in South Yemen.

One reason southern Arabian archaeology is filled with uncertainties is that careful work in Yemen and Southern Yemen has been hampered by insecurity. The Phillips expedition abandoned its equipment and fled Sheba's capital by truck one morning, saying their lives had been threatened by hostile tribesmen. More than three decades later, Sauer's archaeologists are usually accompanied by armed government guards.

The Wadi al-Jubah is a valley that Sauer believes was once inhabited by people who made their living as the people at nearby Marib did, by irrigated agriculture, exploiting the water that periodically rushes down from the *rainy mountains to the west. He* suspects the ancient inhabitants traded in frankincense and myrrh derived from plants native to southern Arabia and East Africa.

A key to the spice trade was the domestication of the camel, which some scholars date around the 12th century B. C. It was the only pack animal able to negotiate the long waterless marches between southern Arabia and the markets to the north, including Egypt and Mesopotamia as well as the Israel of Solomon.

Van Beek, Sauer and others argue that the reason the Queen of Sheba visited Solomon was to help assure that her incense would be properly distributed. Israel was strategically located between empires and was itself enjoying its wealthiest period. The temple in Jerusalem was said to have consumed huge quantities of incense. As for the gold and precious stones in the biblical account, they too might have come from southern Arabia or East Africa.

Unfortunately, the account of Sheba in the Bible provides few other details, and the elaborate tales about the queen that have been told for centuries seem to have originated elsewhere. Some legends gave her a name: Nikaule in Greek, Bilqis in Arabic, Makeda in Ethiopic. Ethiopian stories about the Queen of Sheba became extraordinarily rich, and are still written in an alphabet closely related to the ancient Sabaean alphabet. Ethiopian tradition held that the country's kings were descendants of Solomon and the Queen of Sheba.

Despite the leanings of some modern archaeologists, the Biblical Queen of Sheba still poses many problems, according to Sauer and others.

For one thing, the ancient inscriptions of southern Arabia name many kings but no queens. There were queens elsewhere in ancient Arabia, according to Assyrian documents, but apart from the Biblical story and related traditions, no evidence has appeared of a queen in southern Arabia.

Dr. Karl Lamberg-Karlovsky, director of Harvard's Peabody Museum of Archaeology and Ethnology, has followed Sauer's work with what he calls "constructive skepticism." The carbon 14 dating is "very tenuous," he said in a *telephone interview.*

He said there was no hard information on the relations between Wadi al-Jubah, Marib and Sheba, and little data to link the area with camels and camel caravans, or to a story in the Bible.

LANGUAGE

Style, the Essence of Urbane Renewal

By William Safire

WASHINGTON — Style, in the literary sense, is the way we use words to express what we think or feel. Too often, grammarians and less self-conscious writers limit the meaning of the word to the rules of spelling, punctuation or usage that can be found in a *style book* (or as some style books direct, *stylebook;* but the elements of style, to use the name of the best-selling little book on that subject, include not merely the agreed-upon conventions of the writing trade, but encompass the strength, precision, grace and honesty — or lack of those virtues — that characterize the way we communicate.

The paragraph above is not written in my style. Readers of dictums in this space have come to expect a grabber of a lead — a quotation with some egregious misuse of *masterful* for *masterly* and other such solecisms in vogue, or a shout of outrage from some big shot cut down to medium shot — followed by a deluge of erudition that sugarcoats a grammatical pronunciamento or pinpricks some orator's trial balloon.

Why, then, have I reverted to the soporific kind of lead that you can read in any how-to book on writing for success, or dressing for writing, or writing and dressing to seduce impressionable young literary agents and take down megabucks? Nobody but a pedant, a professional aesthete or a language-book author would begin any article or chapter with "Style, in the literary sense . . ."

My purpose in beginning with a let-go lead, opposite of a grabber, is to limit today's readership to people who are really hung up on the subject of style, surface-variety.

For years, I have held that any decent book on plain writing will help the reader improve his style, because most people don't pay any attention to style at all, and, as a result, banal words and stereotypes are chosen, sentences with passive constructions mar the literary skyline and paragraphs lurch on the page without benefit of topic sentences.

TODAY, however, I have in my hand a letter from Alistair Cooke. A longtime social and political commentator who interprets the United States to the mother country on the BBC, he is familiar to many Americans as a man who sits in an easy chair in front of a fireplace and gives meaning and perspective to episodes of television series. He is the epitome of urbane renewal.

He writes: "As for books that say — keep your sentences short, cut out all adjectives and adverbs, don't use dashes — I simply ignore them."

Now that is breathtaking iconoclasm. Down the midway of the 20th century, authors from Hemingway to Doctorow have championed the short, simple declarative sentence. Every book on writing you can find these days says essentially the same thing: keep it short. Take it a bite at a time. Dispense with the adjectival frills. Put the punch in the verb and not the adverb (he added weakly). Edit, edit, edit, and avoid repetition. Less is more, spare is fair. Our taste in style matches our taste in corned beef: lean is keen.

Maybe we are going overboard. The burst of the business memo, the snap-and-spit of the television news "bite," the mincing sentences of post-Hemingway novelists — all have led to the canonization of brevity. Introduce it, lay it out, sum it up. The dash is dead. It is not for nothing that the hottest word in communication is *briefing.*

I decry this trend. (*Decry* is a word used only in newspaper headlines; it is shorter than *disparage, denounce* or *complain about,* and editors are more interested in its length than the fact that the word is not used in the spoken language. Try it: "Don't decry, dear." You never heard that anywhere: the vestigial verb's presence on front pages is a triumph of briefmanship.)

THIS is not to call for a return to long-windedness or a plea for studding sentences with redundancies and festooning them with modifying clauses, but I suggest this: You don't have to be flowery to love adjectives, and your judicious use of words ending in *-ly* adds color and nuance to the stark action of your trendiest verbs; although short sentences have punch — "I decry this trend" makes the point mightily, if I may be permitted an adverb — too many crisp declarations leave the reader punch-drunk, wondering where he can find a writer who can drop brevity's bludgeon and bedazzle with fancy footwork; in this regard, cadence counts, and while the sort of Churchillian prose that sweeps the reader rhythmically along may have no place in news reports or the bulletins of avant-guardhouse poets, it must not be lost to the arsenal of the artist or historian — lest we bend our knee to the staccato style book that barks "Be brief!" and orders us to come to a full stop before we have finished saying all we have to say in just the way we want to say it.

Stop thinking about writing style as an outer garment with which to dress your thoughts. Style, in the sense I have in mind, is not the synonym of "form," the antonym of "substance," a fashion to be adopted and set aside. Style is not a mask, an image or a persona: upon his admission to the French Academy in 1753, Comte Georges-Louis de Leclerc Buffon said, "Style is the man himself," arguing that style is essence. The way you write reflects the way you think, and the way you think is the mark of the kind of person you are.

In the second paragraph of today's discourse, I dumped on the first paragraph as not being in my style. You took that to mean "not the way I usually write," an assumption quickly reinforced by a comparison of grabber and let-go leads. But that was a trick; you were misled by my seeming acceptance of the most common current meaning of the word *style.* What I really meant was more profound than "That's not the way I write"; it was also "That's not how I think," and when you keep peeling that onion until you're down where the tears are, "that is not the sort of person I am."

You want to fix up your writing, parse your sentences, use the right words? Fine, pick up the little books, *learn to avoid mistakes, revere taut prose and* revile tautology. But do not flatter yourself that you have significantly changed your style. First, straighten out yourself so that you can then think straight and soon afterward write straight. Your writing style is yourself in the process of thought and the act of writing, and you cannot buy that in a bookstore.

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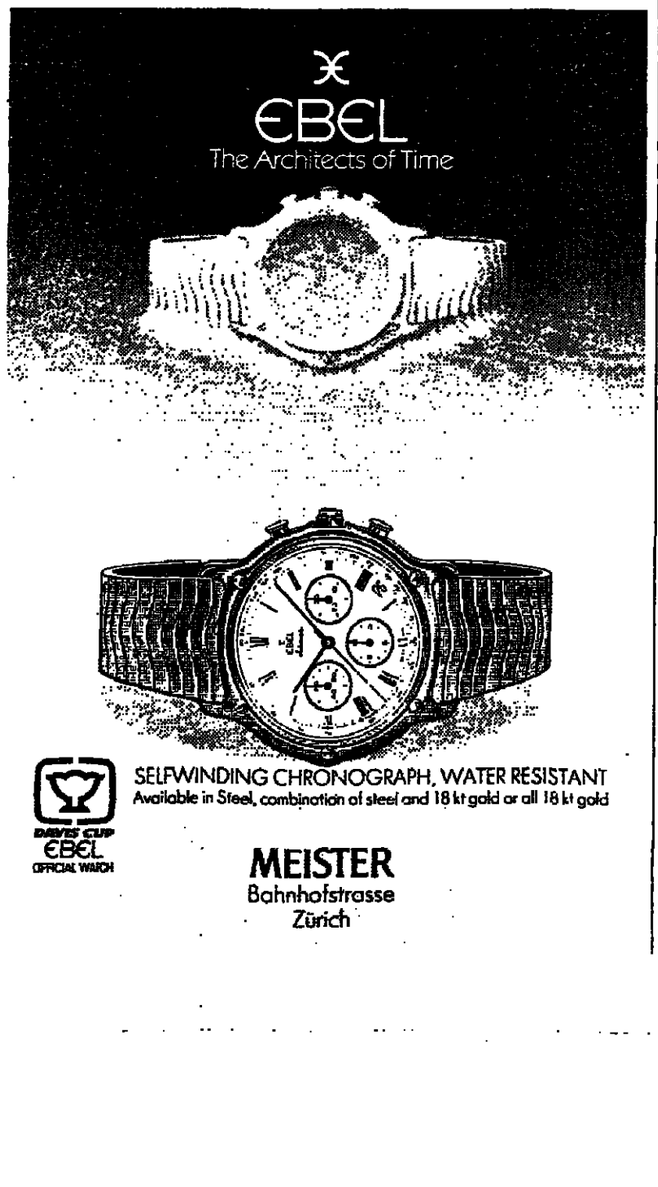

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